

***Government that Works!***

**NEW JERSEY DEPARTMENT OF THE TREASURY**

**LOCAL GOVERNMENT BUDGET REVIEW**

**BOROUGH OF PRINCETON**

**CHRISTINE TODD WHITMAN**  
*Governor*

**ROLAND A. MACHOLD**  
*State Treasurer*

**AUGUST, 2000**



## **GOVERNMENT THAT WORKS**

### **OPPORTUNITIES FOR CHANGE**

#### ***The Report of the Borough of Princeton***

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs, and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams will also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

## **THE REVIEW PROCESS**

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review, team members interviewed each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examined current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the government entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW  
EXECUTIVE SUMMARY  
BOROUGH OF PRINCETON**

**Payroll**

Negotiating a change from a weekly to a biweekly payroll will produce an estimated savings of \$6,970.

**Health Benefits**

The borough is encouraged to negotiate a 20% other than single premium co-pay for cost-savings of \$186,100.

**Dental**

Negotiate a 50% premium co-pay for dental coverage would accrue a cost-savings of \$48,000.

**Prescription**

The borough is encouraged to negotiate and implement prescription plan design changes for cost-savings of \$14,600.

**Legal**

Limiting the contact with attorneys and having staff do as much preparatory work as possible could reduce the number of billable hours by 200 and produce cost-savings of \$25,000.

Retaining a part-time staff attorney in lieu of the contracted attorney would result in a net cost savings of \$113,222.

If the public defenders were paid by contract and did not receive benefits and, therefore, were not pensionable employees, the savings would be \$15,029.

**Technology**

Hiring a technology staff person who can be shared by the schools, the borough and the township is recommended for a value-added expenditure of \$20,000.

**Police**

Enacting an ordinance that requires the registration of fire and intrusion alarms and establishes penalties for multiple false alarms will create a productivity enhancement of between \$8,250 and \$16,500 and increase revenues by \$40,000.

Referring lockouts from cars or buildings to locksmiths will improve productivity by \$6,302.

Having parking attendants sworn in as parking enforcement officers so that they could enforce the borough ordinance 19-85.11 would create a productivity enhancement of \$6,278.

The purchase of an additional three-wheel vehicle for parking enforcement and the Safe Neighborhood Unit would cost \$17,000 while increasing revenues by an estimated \$33,760.

If school support staff were used for one crossing guard post and parking enforcement officers were used for one post, the borough would save \$4,500 for each post for a total of \$9,000.

Payment of bonuses for good attendance at the conclusion of the school year to reduce the number of police officer hours spent at crossing posts by 75% would increase police productivity by \$3,800 while costing a maximum of \$3,000.

Purchasing a hood with an outside vent for the evidence function is recommended and would cost \$4,500.

Having the finance department handle the fiscal reporting of grants could save the borough approximately \$2,570 in productivity.

Upgrading the recorders used for transcribing statements and interviews would cost \$200 while improving productivity by \$320.

Having the borough and township share per diem dispatchers, that are now employed in the township to fill in while the day dispatcher is on leave, and reassign the officer to patrol/SNU duty would create a productivity improvement of \$54,847 while costing \$29,120.

Several minor purchases would improve communications and service provided by dispatch. They include:

- Call check recorders costing \$3,600.
- A TDD telephone costing \$600.
- Caller ID on eight non-emergency lines costing \$720.

Working with University Security to revise the current policy with the goal of increasing the number of reports handled on campus by 50% would create a productivity improvement of \$1,911.

Merging the township and borough police departments would save the borough \$706,733.

### **Court**

Funding and filling the part-time vacancy on the court staff would cost an estimated \$13,000 while generating \$72,000 in additional revenue.

Increasing the court records clerk salaries and the deputy violations clerk salary to be consistent with the market and similar positions within the borough would cost approximately \$10,000.

Expediting implementation of automated ticketing will result in a productivity enhancement of \$16,495.

With a joint court and a negotiated sharing of the financial benefits, the borough could save an estimated \$39,990.

**Fire**

Cutting the fleet by two pumpers for a total of four pumpers, a ladder and a special services unit would result in annualized capital cost-savings of \$31,200 for the borough. In addition, there would be a one-time revenue enhancement of \$192,000 to the borough for sale of the equipment.

A consolidated vehicle maintenance operation could reduce per vehicle expenses to \$2,700 to produce cost-savings of \$2,804 to the borough.

Closing one station and having the two fire companies share the larger facility would produce a one-time revenue from the sale of the building of \$420,200 and annual tax revenues of \$9,328.

**Princeton First Aid and Rescue Squad**

Contracting with a private vendor to perform the functions currently being performed by the first aid squad's day crew and per diem workers would save the borough \$39,724.

Reducing the complement of ambulances to two would decrease the need for additional space and result in cost-savings to the borough of \$4,160.

**Public Works**

Investing in state of the art software and hardware to facilitate monitoring unit costs in all areas of public works would cost \$4,500.

Competitively contracting for custodial service would save at least \$23,585.

Reducing the fleet by one dump truck and two pick up trucks would save \$8,175 annually and produce a one-time revenue of \$6,000.

Combining the public works functions of the borough and the township would save between \$52,833 and \$79,250, depending on how the costs are shared.

Changing the metered parking to quarters only and \$1.00 per hour would increase revenues by \$360,000.

Extending the hours for meters on Nassau Street to 10:00 p.m. would realize more than \$125,000 in new revenue.

Replacing meters with sensed meters could realize additional revenues of at least \$50,000.

Placing advertisements on the parking meters can result in additional revenues of at least \$14,400.

Converting the parking lot adjacent to the library to meters would cost \$140,000 in the first year and produce annual cost-savings of \$74,800. In addition, an estimated \$60,000 could be realized from overtime summonses.

**Sewer Operating Committee (SOC)**

Merging the SOC's vehicle maintenance with public works vehicle maintenance would save \$15,360.

**Library**

Reducing the circulation staff by one library assistant would save the borough \$7,505.

Reducing the reference staff by two professionals would save \$26,087.

Reducing the technical service staff by 1.5 professionals and one full-time paraprofessional would save the borough \$40,247.

Centralizing the payroll function through the borough would save \$1,309.

Joining with one of the municipalities in a joint insurance fund would save \$1,466.

Eliminating longevity would save \$5,760.

Providing benefits only to employees that work over 30 hours per week would save the borough \$4,027 in library expenditures.

It would be possible for the Princetons to achieve significant savings and service enhancements by joining with the Mercer County Library System. Such a merger would necessitate negotiations to achieve cost-savings and to preserve services. It is estimated that the borough would save at least \$97,209.

**Human Services**

Reducing the PATF I account to reflect actual activity will result in a one-time revenue of \$25,000.

**Health**

Reducing the staff by one sanitary inspector would save \$16,960.

Performing a more aggressive annual dog canvass would increase revenues by \$1,552.

**Recreation**

Establishing a policy concerning the level of subsidy deemed appropriate for recreational programs in the communities could offset borough expenses of \$30,875.

**Collective Bargaining Issues***PBA Contract*

Eliminating the shift differential would save \$24,000.

Reducing personal days to reflect the equivalent of three typical workdays in hours would save \$9,657.

Changing the vacation schedule to make it consistent with the state would save \$17,387.

<b><u>Monetary Recommendations</u></b>	<b><u>One-time Savings/ (Expense)</u></b>	<b><u>Annual Savings/ (Expense)</u></b>	<b><u>*Potential Savings</u></b>	<b><u>**Additional Savings from Consolidation</u></b>	<b><u>Totals</u></b>
<b>Payroll</b>					
Change the weekly payroll to biweekly			\$6,970		
<b>Health Benefits</b>					
Negotiate a 20% other than single health premium co-pay			\$186,100		
Negotiate a 50% dental premium co-pay			\$48,000		
Negotiate and implement prescription plan design changes			\$14,600		
<b>Legal</b>					
Modify use of borough counsel			\$25,000		
Retain a part-time attorney (net savings)		(\$40,000)	\$153,222		
Remove public defenders from payroll			\$15,029		
					<b>\$153,251</b>
<b>Technology</b>					
Hire a technology professional			(\$20,000)		
					<b>(\$20,000)</b>
<b>Police</b>					
Enact a detailed alarm ordinance			\$48,250		
Refer lockouts to locksmith			\$6,302		
Enable parking attendants to write tickets			\$6,278		
Purchase a second 3-wheel vehicle for parking enforcement	(\$17,000)		\$33,760		
Use PEOs and school staff for crossing guards			\$9,000		
Pay bonuses to crossing guards for good attendance		(\$3,000)	\$3,800		
Purchase a hood/vent for evidence	(\$4,500)				
Have finance do grant reporting			\$2,570		
Upgrade transcription recorders	(\$200)		\$320		
Share per diem dispatchers with the township		(\$29,120)	\$54,847		
Communications equipment purchases					
Call check recorders	(\$3,600)				

A TDD telephone	(\$600)			
Caller ID on eight non-emergency lines	(\$720)			
Revise threshold for University handling complaints		\$1,911		
				<b>\$108,298</b>
<b>Consolidate police departments</b>			\$706,733	
<b>Court</b>				
Fill part-time staff position	(\$13,000)	\$72,000		
Increase court staff salaries		(\$10,000)		
Implement automated ticketing		\$16,495		
				<b>\$65,495</b>
<b>Establish a joint court with the township</b>			\$39,990	
<b>Fire (Joint)</b>				
Reduce fire apparatus by two pumpers	\$192,000	\$31,200		
Consolidate vehicle maintenance			\$2,804	
Close one station	\$420,200	\$9,328		
				<b>\$652,728</b>
<b>Princeton First Aid and Rescue Squad (Joint)</b>				
Contract for day crew/per diem services		\$39,724		
Reduce ambulances by one		\$4,160		
				<b>\$43,884</b>
<b>Public Works</b>				
Purchase software for work orders	(\$4,500)			
Competitively contract for custodial services		\$23,585		
Reduce the fleet by one dump truck and two pickup trucks	\$6,000	\$8,175		
Consolidate public works with the township			\$52,833	
Change meters to one dollar per hour		\$360,000		
Extend some meter hours		\$125,000		
Replace meters with sensor meters		\$50,000		
Place advertisements on the parking meters		\$14,400		
Convert library parking lot to meters	(\$140,000)	\$134,800		
				<b>\$577,460</b>
<b>Joint Sewer Operating Committee</b>				

Merge vehicle maintenance with DPW		\$15,360				<b>\$15,360</b>
<b>Library (Joint)</b>						
Reduce circulation staff by one library assistant		\$7,505				
Reduce the reference staff by two librarians		\$26,087				
Reduce the technical services staff		\$40,247				
Centralize the payroll function through the borough		\$1,309				
Join a joint insurance fund		\$1,466				
Eliminate longevity		\$5,760				
Provide benefits to full time employees only		\$4,027				<b>\$86,401</b>
<b>Consolidate with Mercer County Library</b>				\$97,209		
<b>Human Services</b>						
Reduce PATFI account balances	\$25,000					<b>\$25,000</b>
<b>Health (Joint)</b>						
Reduce staff by one sanitary inspector		\$16,960				
Perform a more aggressive dog canvas		\$1,552				<b>\$18,512</b>
<b>Recreation</b>						
Establish a maximum subsidy of 50% for recreation		\$30,875				<b>\$30,875</b>
<b>Collective Bargaining Issues</b>						
<i>PBA Contract</i>						
Eliminate the shift differential			\$24,000			
Reduce personal days to three eight-hour days			\$9,657			
Make vacation schedule consistent with the state			\$17,387			
<b>Total Recommended Savings &amp; Revenue Increases</b>	<b>\$472,080</b>	<b>\$1,285,184</b>	<b>\$306,714</b>	<b>\$899,569</b>		<b>\$1,757,264</b>
<b>Total Recommended Savings &amp; Revenue Increases</b>	<b>\$472,080</b>	<b>\$1,285,184</b>	<b>\$306,714</b>	<b>\$899,569</b>		<b>\$1,757,264</b>

\*\$306,714 in potential savings not included in savings of \$1,757,264.

\*\*\$899,569 in consolidation savings not included in savings of \$1,757,264.

Total savings from consolidation are estimated at \$2,179,758. Only the borough's share is shown in this chart.

**Total Property Taxes Raised for Municipal Purposes**

**\$5,742,957**

**Savings as a % of Municipal Property Tax**

**31%**

**Total Budget**

**\$16,728,911**

**Savings as a % of Budget**

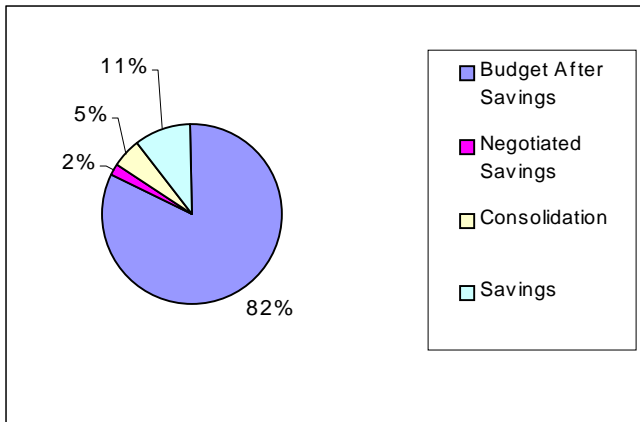
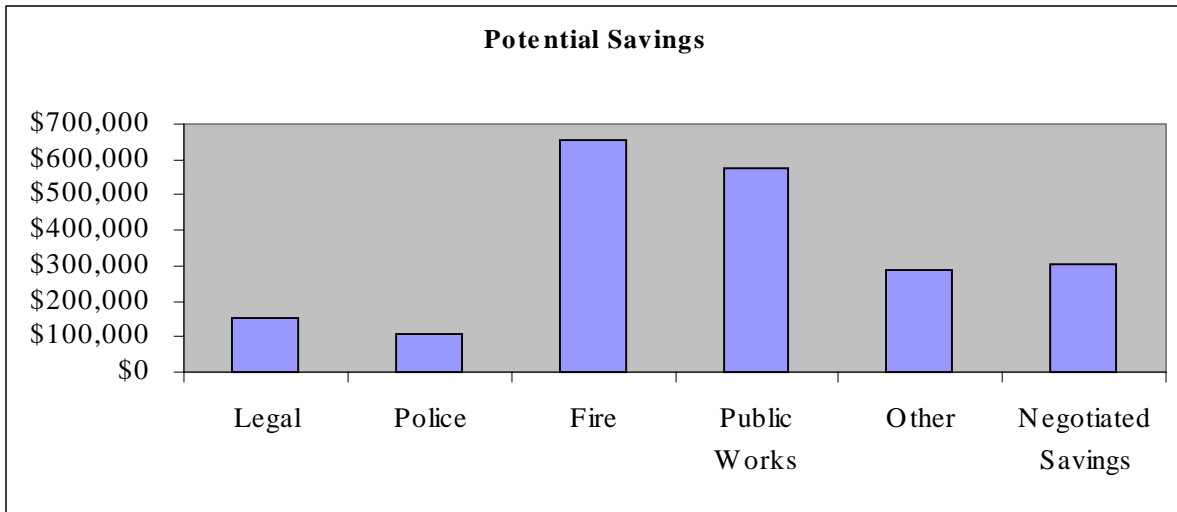
**11%**

**Total State Aid**

**\$1,273,258**

**Savings as a % of State Aid**

**138%**



## TABLE OF CONTENTS

Preface – Government That Works/Opportunities for Change	
The Review Process	
Executive Summary	
Comparison of Cost/Tax Rate with Recommended Savings	

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>COMMUNITY OVERVIEW.....</b>	<b>1</b>
<b>I. BEST PRACTICES.....</b>	<b>4</b>
<b>II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS .....</b>	<b>6</b>
COUNCIL .....	6
CLERK.....	7
Fees, Licenses, Permits .....	7
Minutes.....	8
Records.....	8
Passports.....	8
ADMINISTRATION .....	9
Personnel .....	9
Payroll .....	13
Insurance .....	13
Health Benefits.....	15
Legal.....	17
Professional Service Agreements.....	19
Technology.....	19
Technological Initiatives .....	21
FINANCE.....	21
Audit.....	22
Purchasing .....	22
Capital Investment/Debt.....	23
Cash Management .....	24
Budget .....	25
Tax Collection.....	27
Tax Assessor .....	27
Tax Appeals.....	28
Payment in Lieu of Taxes (PILOTs) .....	28
POLICE.....	29
Mission, Policies and Procedures.....	29
Organization/Operations .....	30
Patrol .....	30
Safe Neighborhood Unit (SNU).....	34
Parking Enforcement.....	34
School Crossing Guards .....	35
Fleet.....	36

Uniform Maintenance and Replacement .....	37
Administrative Branch .....	38
Training .....	39
Operations Branch.....	41
Tactical Team.....	43
Mobile Command Post.....	44
Consolidated Police Department.....	44
Special Assignments .....	48
COURT .....	51
Workload.....	51
Organization and Staffing .....	52
Automated Ticketing.....	53
Borough/Township Relationship .....	53
FIRE.....	54
Organization and Staffing .....	55
False Alarms.....	55
Response Protocols/Experience .....	56
Vehicles .....	57
Equipment Maintenance.....	58
Training .....	58
Safety.....	58
Standard Operating Procedures (SOPs)/Rules and Regulations .....	59
Mutual Aid .....	59
Facilities .....	59
PRINCETON FIRST AID AND RESCUE SQUAD.....	59
Organization and Staffing .....	60
Financial.....	60
Competitive Contracting .....	61
Equipment .....	61
ENGINEERING.....	62
Public Works .....	62
Brush Collection.....	64
Construction Office .....	68
Financial.....	68
Engineering DIVISION.....	69
Affordable Housing.....	70
Sanitation.....	73
Commercial Garbage Pick-up .....	74
Recycling.....	74
Bureau of Fire Safety and Housing Inspection .....	74
Planning and Zoning .....	75
Joint Planning.....	75
JOINT SEWER OPERATING COMMITTEE.....	76
Inflow and Infiltration (I&I).....	77
Financial .....	78
Vehicles .....	78

LIBRARY .....	79
Financial .....	80
Comparison .....	81
Administration.....	85
Programs.....	87
Collection .....	87
Facilities .....	87
Technology.....	88
Regionalization.....	88
Conclusion.....	90
HUMAN SERVICES .....	91
Public Assistance.....	91
Senior Transportation.....	93
Civil Rights .....	94
Youth Services .....	94
Reorganization .....	95
Suzanne Patterson Center.....	95
CORNER HOUSE .....	96
Organization and Staffing .....	96
Financial.....	96
Services .....	97
HEALTH.....	98
Organization and Staffing .....	98
Financial.....	99
Services .....	99
Animal Control.....	100
RECREATION.....	102
Organization and Staffing .....	102
Financial.....	103
Facilities .....	103
Programs and Fees .....	104
<b>III. COLLECTIVE Bargaining AGreements.....</b>	<b>106</b>
PBA Local 130.....	106
Salaries/Longevity.....	106
Miscellaneous Compensation.....	106
Personal Days.....	107
CWA Blue Collar.....	107
<b>IV. Shared Services .....</b>	<b>108</b>
<b>V. STATUTORY AND REGULATORY REFORM.....</b>	<b>110</b>
REAP and REDI.....	110
Tax Exempt Property .....	110

## COMMUNITY OVERVIEW

The Borough of Princeton is a small urban community, 1.82 square miles in area with a 1996 estimated population of 11,069. Seventy-five percent of the community is residential and 25% is commercial. Its identity comes primarily from Princeton University; its largest employer, largest taxpayer and largest property owner. Two other higher educational institutions make their home in Princeton Borough: the Princeton Theological Seminary and the Westminster Choir College of Rider University. It offers a quaint town center for the surrounding suburbs, most notably, Princeton Township. Additionally, it is host to visitors from throughout the United States and the world.

The municipal budget in 1998 totaled \$16,591,399 and the staff totaled 116 full-time and 30 part-time employees. Princeton Borough is a community struggling with a built out tax base in the face of growing municipal costs. Close to half of the tax base is exempt and properties are continuously being acquired by the tax-exempt institutions in the community. The net growth in the tax base totaled 1% from 1996 to 1999. Over that period, the local tax levy increased 27%; the tax rate increased 22%; and total expenditures increased 18%. These circumstances have forced the borough to approach service delivery relatively conservatively and to evaluate and implement alternative revenue sources and alternative methods of service delivery. This need is juxtaposed against a well-educated population that demands a high level of service. As one reviews LGBR's findings and observations, it will be clear that these pressures have been fairly effective in molding a municipal government that is, generally, cost efficient, in light of the very high level of services it provides and the community expects.

One observation that can be made is that the borough does spend a great deal of money and time preserving the diversity and the resources of its community, while also providing a very high level of service. The community has, however, reached a point at which it needs to evaluate the comparative value of expenditures for high levels of service versus the impact on residents' ability to pay the taxes. Service areas where this is most apparent are human services, library, affordable housing and, to some extent, police.

With a built out tax base, there are few alternatives for the borough that will result in significant reductions in the taxes paid by its residents. Identifying revenues alternative to the property tax is one approach, reducing the level and quality of services is another. Consolidating the larger, more costly, and sensitive functions is the alternative that will reap the most benefits in terms of preserving or increasing the level and quality of services and producing significant cost savings.

The Borough of Princeton and Princeton Township were reviewed simultaneously because they share 17 services and cooperate informally on many others. There was some interest in identifying more services that could be delivered jointly and evaluating the strengths and weaknesses of joint service delivery. Although we have looked at the two communities individually, there are some observations better made by reviewing them side by side.

Through the reviews, the team reached four major conclusions: first, that the township and borough are about as different as two communities can be; second, each community's well being

is inextricably tied to that of the other; third, in terms of approach to governance, they appear to be of two very different philosophies and could each benefit from modifying their approaches to be somewhat more like the other and, finally, that the defeat of the last consolidation attempt by the borough is understandable, but regrettable in light of the priorities currently and historically pursued in the borough.

Princeton Borough and Princeton Township have been the subject of four consolidation studies and three consolidation votes. The latest effort was defeated ending in a vote in favor of consolidation by the township and against consolidation by a narrow margin in the borough. Given the differences in the tax bases – Princeton Township growing quickly and the borough being basically fully developed – many observers expected the borough to do the fiscally conservative thing and vote to consolidate. After spending several months reviewing the operations of both towns, the reason for the vote is more understandable.

Princeton Borough expends significant effort both in terms of dollars and human resources preserving its diversity and its character. As you read through the borough report you will understand the extent to which this is true. Because the township is more homogeneous and still growing, consolidation poses the threat of diluting the diversity that is currently maintained in the borough.

Consolidation would have formalized the interdependent relationship of the two communities while replacing two very different styles of governance. Without consolidation, the communities are left striving for balance on each issue. Members of the administrations and governing bodies have pointed out the cumbersome nature of reaching agreement on joint agency budgets and other joint agency issues, implying that maybe joint service delivery may not be the most beneficial solution. The team believes that without the preferable alternative of complete consolidation, this joint service delivery and cooperation is critical to both communities' continued prosperity. Each community offers the other something. The borough is the downtown for the township; it is very conservatively administered because of its stagnant tax base and the borough, along with the university, offers much of the identity for the community. On the other hand, the township enjoys tax base wealth and growth, an abundance of open spaces for recreation and a growing population to support the regional economy.

The report includes a functional discussion of potential areas of further cooperation and consolidation. The primary areas left are those most difficult to unite without a united government – police, court and public works.

The team was asked to address two joint services-related issues. These issues were the equity of funding formulas for the various joint services and whether or not accountability is lost by the replacement of individual services with joint agencies. Funding equity needs to be addressed on a service by service basis and should include an examination of the division of service recipients between the two communities, the ability to pay and the hard to quantify issues relating to whether or not changes in the existing formula will have a significantly negative effect on either community or the quality of service. The team observed the existence of agreements that called for a variety of funding formulas, including divisions based on taxable assessed property (32/68), total assessed property (48/52) and even (50/50). Although the agreements were specific about

funding formulas, it was also clear that, for a variety of reasons, actual expenditures frequently differed from the established formula, primarily because of unattributed costs such as health benefits or staff charged to another program. One issue to be considered as part of this evaluation is the allocation of debt related to joint services. It may be appropriate, in light of the recent downgrade by Moody's, to have the township, with its growing tax base, take on the debt related to a new facility or facility reconstruction/expansion and either have the borough pay its share as an operating cost or allow the township to take sole title to the facility and carry its full cost.

Concerning accountability, it appears that the joint meetings to review the budgets do assure a reasonable level of accountability. The only evidence possibly countering this is that, generally, the joint services are of very high quality, as well as high cost. What is clear is that individually, the communities could not provide the quality or level of service currently provided through joint agencies for the same money. What is not as clear is whether or not the level of expenditure would be less if the decision making were not distributed across two governing bodies. The joint budget committees rely heavily on input from the relevant commissions and program directors for a definition of needs and, more often than not, these people serve because they are highly committed to providing the service. Another factor may be that the consensus required drives up the level of service and, thus, the costs. For example, it may be politically difficult to publicly make a decision that implies that one community wants more or less library or recreation services than another.

Another strategy that could be used is to continue to look for more consolidation/sharing of services with governmental entities other than just the two Princetons. Some of this can be seen in the sewer and public works operations. Certainly there is opportunity for sharing or merging with the county for welfare and the public library. These opportunities are discussed in the specific departmental sections of this report.

The end result of shared services is, without exception, high quality and, therefore, we commend the two communities for their long history of interlocal cooperation. They are encouraged to continue to identify their common interests, recognize each other's strengths and weaknesses, and foster and strengthen what already is a very significant relationship. In addition, it is recommended that sharing and merging services with other governmental entities be considered.

## **I. BEST PRACTICES**

A very important part of the Local Government Budget Review report is the Best Practices Section. During the course of every review, each review team identifies procedures, programs and practices that are noteworthy and deserving of recognition. Best Practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of cost effective effort. Below are highlights of those practices which are most outstanding.

### **Capital Improvements**

The municipalities, with the joint sewer operating committee, have engaged in aggressive capital improvement activity for sewer reconstruction. Through the elimination of inflow and infiltration, the cost of processing sewage will be greatly reduced. The infrastructure investment projects completed through 1998 will save the taxpayers \$2,589,522 over the expected life of these assets. There are plans to continue this reconstruction.

### **Police Uniform Maintenance and Replacement**

The negotiated arrangement for provision and maintenance of police uniforms is one of the most cost efficient and effective practices observed by LGBR to date. The officers are issued a complete set of uniforms when they are hired. Each spring, officers are asked to submit a list of uniform items that are in need of replacement. The captain then evaluates the request and acts on it. The policy for replacement is that the article needing replacement must be turned in and a replacement is ordered. When an employee leaves, all uniforms are returned and items that are serviceable are then reissued.

The cost to provide the required articles of clothing in 1998 for 25 uniformed officers was \$8,884 or \$355 per uniformed officer. Nine non-uniformed officers receive an allowance of \$750.00 for a total of \$6,750 and the cost for 15 civilian uniformed employees totaled \$2,382 or \$159 per uniformed civilian.

### **Police Department Citizen Survey**

The citizen survey enables the chief to sample the quality of work that the department has done each month. The clerks randomly select 25 cases each month that have resulted in interaction between officers and the public. A form is sent along with postage paid envelope for the response.

**The borough is commended for implementing this qualitative assessment of the services provided by the police department.**

### **Mobile Command Post**

The township, borough, and university police departments have worked together to develop a mobile command post. This is based in a used trailer that was purchased by the township. The plans called for gutting the interior and building a command post that can support command and control functions at planned events in the three jurisdictions. It can also be used to support major fires, Haz-mat events, police crime scenes and searches. It will, in addition to the radio and communications capability, have areas for planning and staging emergency personnel and an on-board power supply. The projected cost will be \$30,000, which will be split equally by the three departments. A new self-propelled vehicle with this capability generally costs approximately \$70,000.

**The three departments are commended for not only developing a low cost alternative but then sharing the cost three ways, saving each at least \$60,000.**

### **Underground Infrastructure**

The municipality enforces a moratorium on digging up recently resurfaced streets. The procedure is that six to twelve months before a street is scheduled to be resurfaced, all entities involved in underground infrastructure are notified as to the intention to resurface and are encouraged to ascertain the condition of their underground structures. In most instances, underground repairs are made and the resurfacing is done. In some instances this results in a negotiated postponement of the resurfacing until underground repairs are completed.

### **Health Benefits**

Health benefits are managed aggressively in the borough, balancing the provision of quality health benefits with the need to contain costs. The team was impressed by the expertise and approach of the borough staff, the support given by the plan administrator and the progressive plan design, which was successfully negotiated with the employee unions. The result is a plan that compares very favorably to the state plan while still providing a network, which assures that borough employees enjoy quality health care.

## **II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS**

The purpose of this section of the report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings or enhancements for Princeton's residents and taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel costs by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefits, social security, pension, unemployment and other direct benefit costs.

### **COUNCIL**

Princeton Borough operates under the borough form of government, with a mayor elected every four years and six council members elected to staggered three-year terms. The council elects a council president, who presides in the absence of the mayor. The mayor receives a salary of \$5,500. Council members' salaries are \$4,500. Both salaries were last reviewed in 1986. Health benefits are provided for just one council member, who reimburses the borough for the premium costs that were \$5,385 in 1998. Mayor and council approved this arrangement several years ago. Total position costs for the council for 1998 were \$41,679 net of the reimbursement for the one councilperson's benefits.

#### **Recommendation:**

**It is recommended the borough apply policies regarding benefits consistently for all employees and elected officials.**

Princeton Borough Council participates actively in the operations of the borough through a committee structure. The council has recently gone through some significant turnover with three very new members and three long-term members. The result is a council that gives each issue a great deal of consideration and offers new perspectives and solutions.

The team observed some fairly heavy involvement by the council in the day to day operations of the borough. An explanation for this may be the fact that the assistant administrator was serving as the acting administrator during the period of our review. In addition to being short one person administratively, there appeared to be numerous issues that had not been addressed and were becoming significant obstacles to the smooth operations of the borough. A new administrator was hired as of July 1, 1999, after fieldwork was completed by LGBR.

### **Recommendation:**

**It is recommended that the council continue its active interest in borough operations, while not becoming involved in the day to day operations of the borough, and giving the administration the latitude it needs to continue to improve borough operations through the application of professional management and administrative leadership.**

### **CLERK**

The borough clerk has held the position for more than 20 years. The clerk's office staff consists of the clerk, a deputy, a clerical and an unfunded part-time clerical position. This last position was filled on an ad hoc temporary basis over the course of the year. The operating costs of the department in 1998 were \$171,285 in salaries and benefits. Other expenses are incorporated in the administration budget. Revenue collected from licenses, fees and permits was \$113,885.

In addition to the regular duties of a municipal clerk, the clerk serves as the affirmative action officer and has, by default, been the information systems administrator for the borough. It is typical for a clerk to assume responsibility for administrative tasks in a community where the administrative staff is small. An issue arises when the tasks assigned begin to require more detailed expertise than could be expected of a municipal government generalist. This has occurred with the clerk in the information technology area. This issue will be addressed in the section on information technology.

### **Fees, Licenses, Permits**

The clerk's office is responsible for dog licenses, parking permits, liquor licenses, parade permits, hunting and fishing licenses, and taxi and livery licenses. When the team requested a list of fees charged by the clerk's office it was given a set of documents showing recent changes. The team has found it helpful to the community to develop a list of fees charged, that is updated as necessary, so that the information is easily accessed. Information obtained indicates that the fees are reviewed on a regular basis and that the liquor license fees are at the statutory maximum.

**Recommendation:**

**It is recommended that the borough consider adopting a unified fee ordinance so that the fees are reviewed and adopted annually.**

**Minutes**

The borough is at least one year behind in typing its minutes. An explanation offered was the disruption of moving out of, and then back into, the municipal building over the last year. The process has been for the clerk to attend the meetings and a staff member to type the minutes from the tape. The council has suggested that the staff member attending the meeting be the person responsible for typing the minutes and that this responsibility rotates among the staff members. In the 1999 budget, the clerk requested that the unfunded part-time position be funded and filled in order to allow staff more time to fulfill the obligation of typing minutes. It is not clear from observation that this additional staff is necessary if the passport operation is ceded back to the county and if responsibilities are reallocated.

**Recommendation:**

**It is recommended that the borough make the statutory duties of the clerk a priority and develop a plan for catching up on the minutes and then completing them in a timely manner.**

**Records**

The clerk attributed an inability to find records and the lack of a records retention plan and process to the disruption from moving out of, and into, the municipal building. The team did have difficulty obtaining some documents because of this. Once the space in an ancillary building has received a Certificate of Occupancy (CO), the clerk would begin to organize the files and develop a retention plan in accordance with state law.

**Recommendation:**

**It is recommended that the clerk make reorganization of the files and development of a records retention system a priority.**

**Passports**

The borough was the first municipality in the state to provide passport services in the municipal clerk's office. If a community offers the service, it cannot limit it to residents and are restricted to charging \$15 per passport. Seven months of passport revenues totaled \$17,370. This can be estimated to generate revenues of \$38,700 annually. In December, the office processed 215 passports and that number has been increasing steadily since the service began. Observing the clerk's operation, it seems that this service now dominates the activities of the office. A second concern is the fact that the borough clerk undertook this function without council action. This, coupled with the fact that the office is struggling to fulfill its statutory obligations, leads the team

to conclude that, while providing such a service is certainly a wonderful amenity, it is ancillary to the function of the office and is preventing the office from operating smoothly and fulfilling its statutory obligations.

An alternative would be to hire an additional clerical to provide the service. The cost of this person would be a minimum of \$29,000, including benefits. Our estimate of revenues would cover this cost but would not cover other costs such as space, supervision, etc. The financial aspect is close enough to being positive so that if the office were up to date on all of its other obligations we would recommend its continuation. However, because there are specific items that need to be improved upon, it is not advisable to add to services until the required services of the clerk's office are at an acceptably high level of productivity and quality.

### **Recommendation:**

**Although offering passport service is a significant convenience, the team recommends that the clerk's office concentrate on completing its statutory obligations before continuing to offer a nonmandatory service.**

**Revenue Loss: \$38,700**

**Productivity Enhancement: \$37,772**

## **ADMINISTRATION**

The administrator's office consists of the administrator, the assistant administrator, an administrative secretary and an administrative assistant. Total salaries and benefits for this function were \$290,629 in 1998. Because of the departure of the administrator, the assistant administrator served as acting administrator from January, 1999 to July, 1999. The administration staff handles all day to day management, personnel, insurance, health benefits, technology, preparing the budget, and overseeing legal, purchasing and finance functions.

### **Personnel**

The borough administrator, with the support of one clerical staff member, directs the personnel function. The clerical staff member spends approximately 30% of her time performing the personnel function and the administrator spends approximately 10% of his time on personnel. The salary, direct benefits and overtime costs attributable to the personnel functions were \$27,000 in 1998. The clerical staff member is responsible for new employee orientation, processing applicable forms, and maintaining the employee personnel files. Included in this is the recording of leave usage (sick, vacation, personal, etc.) for all non-contractual employees.

### **Staffing**

The borough employed approximately 116 full-time employees, 30 part-time employees and eight temporary employees during the course of 1998. Included in the full-time personnel are 21 employees who work for joint agencies of the borough and township: seven in the regional

health department, 13 in the Princeton sewer operating committee and one public assistance person. There have been no significant changes in the number of employees over the past ten years.

### **Personnel Policy Manual**

The borough has a personnel policy and procedure manual, which was approved by the mayor and council in 1978. Throughout the years, there have been numerous changes to the manual, with the latest copy printed in 1996. Since 1996, the mayor and council have adopted several ordinances amending the manual. However, the manual has not been updated to reflect those changes. One option currently available and used for municipal codebooks is keeping the document on disk and updating the disk between printings. In this way a complete, current topic can be printed out as needed.

### **Recommendation:**

**It is recommended that the borough revise the personnel manual and have it reviewed by legal counsel and, then, develop a schedule and procedure for updating and reprinting the manual which includes counsel review.**

### **Sick Leave**

The sick leave records for non-contractual employees are kept by the administrator's office. The sick leave records for employees covered by the union (public works and sewage personnel) are kept by the department head within each department. The collective bargaining agreement covering the public works and sewage personnel requires an employee to provide a doctor's note when absent from work for three consecutive days. The personnel policy manual for non-contractual employees states that a department head may request that an employee provide a doctor's note when absent from work for three consecutive days. A review of the personnel files indicates the policy for non-contractual employees is not uniformly applied. In fact, throughout the borough, most department heads do not request a doctor's note.

Prior to 1998, part-time employees did not receive sick and vacation leave. The former borough administrator decided to request that the council amend this policy and provide part-time personnel with sick and vacation leave on a pro-rata basis, depending on the number of hours worked. It is estimated that this decision added a potential liability of approximately \$7,500.

While reviewing the personnel files, it was noted that an employee had requested an unpaid leave of absence under the family leave act. While on leave, the employee suffered an injury and requested to change the unpaid leave to sick leave, which was approved by the former administrator. This decision had a cost impact of approximately \$2,268. While this may seem like an insignificant amount, it is the review team's opinion that this was not an appropriate business decision and could have set an unwanted precedent.

## **Recommendations:**

**It is recommended that the borough take a more active role in administering the policy on sick leave documentation when employees are out of work due to illness for three or more days.**

**It is also recommended that the borough not make individual exceptions, which deviate from policy and could create unwanted precedents.**

## **Salaries**

All full-time borough employees receive an annual salary increase. The amount of the increase depends upon whether or not an employee is covered by the collective bargaining agreement. The mayor and council determine the amount of the salary increase for those employees not covered by the agreement. When determining the amount of salary increases, it has been the practice of the mayor and council to conduct salary surveys of nearby communities. This information, as well as the change in the consumer price index, is considered when determining the increase.

In 1998, seven employees received merit increases totaling \$19,500 and ranging from \$1,500 to \$5,000 for outstanding work performance. The merit increases are in addition to the annual across the board increase for all employees and are added to the base salary. The merit increase is requested by the department head and referred to the borough administrator. The borough administrator then refers the request to the personnel committee for its review and approval. In at least one circumstance, a substantial raise was given to bring the individual's salary in line with that of her counterparts in other communities. When requesting a merit increase, it appears that an employee's sick leave usage is not considered. Some employees who have used ten or more sick days were submitted and approved for a merit increase. Sick leave usage should be a factor considered when recommending a merit increase.

Another form of extra compensation paid to borough employees not covered by the collective bargaining agreement is a bonus. The previous borough administrator had exercised sole discretion over who received the bonus and for what reason. The team did not identify any policy, procedure, ordinance or resolution authorizing the bonuses, nor did it appear that bonuses were considered as part of the established salary budget. A review of the documentation relating to the bonuses paid indicates that most were given to employees for just doing their jobs. During 1998, the borough administrator paid approximately \$3,500 in bonuses of \$500 to seven people.

The team found at least one set of titles for which the compensation is inconsistent and not related to productivity – clerical. A detailed discussion of the discrepancies is contained in the court section. It is a very good example of how inconsistent and inappropriate salaries can negatively impact an organization's operations.

**Recommendation:**

**It is recommended that the entire approach to compensation be examined closely. Bonus programs are appropriate for performance well beyond expectations. Merit increases are appropriate for people who consistently demonstrate high performance in all aspects of a job including attendance, attitude and productivity. Salary adjustments are appropriate when the salary is not in line with the market. The governing body is urged to adopt a policy that addresses each of these issues and assures accountability and equity.**

**Performance Evaluations**

In accordance with the personnel policies and procedures manual, employee performance evaluations will be prepared at least once each year by an employee's department head or supervisor. The purpose of the evaluations is to "provide an opportunity for the department head or supervisor to discuss with the employee, improvements and progress made during the year and any weak points or remaining deficiencies in training or performance." The non-contractual employees are reviewed once each year. The employees covered by the collective bargaining agreement are reviewed bimonthly, in accordance with the agreement. The collective bargaining agreement provides for a bonus to be paid near the end of the calendar year. The bonus is determined by the employee's performance evaluation.

**Hiring Procedures**

The borough has implemented consistent and thorough hiring procedures. The department head notifies the administrator's office of a vacancy that exists in the department. Upon review and approval of the request to hire by the administrator, the clerk's office prepares an advertisement for publication in various local newspapers with a wide range of circulation and prepares a job vacancy notice, which is displayed in public places. The responses are then forwarded to the department head for review and interviews. When the selection is determined an acceptance letter of employment is prepared and sent to the individual. The police department charges a \$30 filing fee to applicants applying for a position. This \$30 filing fee covers the costs associated with background investigations, fingerprint checks and the applicable test.

When an individual accepts employment, the support personnel in the administrator's office provide an orientation for new employees, which includes the completion and processing of required state and federal documents and the certification that all documents were provided to the employee.

**Recommendation:**

**It is recommended that the borough establish fees for any candidates that require a more extensive investigation than routine reference checks.**

**Job Descriptions**

The borough maintains job descriptions for each position. However, our review revealed that the majority of them have not been updated in years.

**Recommendation:**

**It is recommended that the borough update the job descriptions to reflect the actual duties required of each position.**

**Payroll**

The borough maintains two payroll cycles; weekly for employees covered by the collective bargaining agreement (public works and sewer operations) and biweekly for all other personnel. The same support person who performs the personnel administrative functions performs the payroll function. It is estimated that the support person spends 20% of her time in performing the weekly payroll functions. The salary, direct benefits, and overtime costs of the support person's time spent on payroll was \$10,152 in 1998. There is no person fully trained to perform the payroll function in her absence.

The borough utilizes an outside agency to process the actual payroll. The agency provides a variety of services such as check signing, stuffing, sealing, direct deposit processing, and other functions. A review of the monthly invoices submitted for the payroll processing indicates that the approximate cost to the borough for this service is \$11,000.

Of the \$11,000, approximately \$6,500 is attributable to the weekly payroll and \$4,500 to the biweekly payroll. There are approximately 45 weekly checks and 100 biweekly checks. This equates to approximately \$2.78 per weekly check and \$1.70 per biweekly check. If the borough could change the weekly payroll to biweekly, it is estimated the borough could save approximately \$4,600. This was calculated by multiplying 145 biweekly checks by \$1.70 per check and then multiplying that amount by 26 pay cycles. In addition, there would be a productivity enhancement of approximately \$2,370, which represents 24% of the support personnel's time spent on payroll.

**Recommendations:**

**The borough is urged to establish a backup for the payroll function. It is also recommended that the borough negotiate a change in the weekly payroll to biweekly for an estimated savings of \$6,970.**

**Potential Cost Savings: \$6,970**

**Insurance**

The borough is a member of a local joint insurance fund for property, casualty and workers' compensation insurance. The JIF has served the community well for the past eleven years. The borough's trend line in insurance costs has remained flat for the past three years. The assistant administrator has taken an active role in pursuing savings through risk management for both health insurance and property and casualty insurance. This is a result of the borough taking risk management seriously. For 1999, the borough was assessed \$264,069 for insurance. This is 3%

less than the \$272,650 expended in 1998. This, also, is prior to assessment dividends received after closure of the claims period. There have been several claims that have impacted the borough recently. In order to maintain its positive claims history, the borough needs to:

- Approve an updated personnel policy manual in accordance with the specifications set forth by the fund managers. This does not result in actual premium savings, but results in more coverage for the same premium amount.
- The borough and its council members need to follow policies without exceptions. Examples of risk reducing policies in place that need to be consistently enforced are requiring pre-employment physicals of all employees and requiring that the proper safety equipment be worn and procedures followed where appropriate.
- The fire department needs to participate in safety committee meetings.

The above practices are the least expensive way of reducing both liability and workers' compensation claims.

The borough has been diligent in following up on recommendations made by the joint insurance fund's safety consultant and this has resulted in the borough's continued low premiums. The borough's safety committee has been recognized for its pro-active stance that includes a self-inspection program that can be directly tied to reductions in claims.

The majority of claims filed within the past few years on the city's liability policies are the result of the borough's significant pedestrian traffic. To permit reduction of its exposure, the borough has developed and budgeted for a remediation program.

While the borough has been with the JIF for a number of years and has benefited from the relationship, it is appropriate for the borough to compare the JIF to its competition in the marketplace on a regular basis. While LGBR fully supports the concept of Joint Insurance Funds, it recognizes that the current competition in the marketplace has been producing creative and, sometimes, less costly alternatives.

### **Recommendations:**

**It is recommended that the borough solicit bids from a variety of insurers and funds on a regular basis, every three years, to compare both the costs and the coverage to the marketplace.**

**The borough is encouraged to update and approve its policy manual in accordance with the safety consultant's guidelines. This will result in higher levels of coverage for the same amount of money. By adhering to the established policies, the borough will save money by further decreasing its loss exposure.**

**It is recommended that the fire department participate in safety meetings for both the borough and the township.**

## **Health Benefits**

The borough has a very cost-effective health care strategy in place for its employees, according to the risk manager. They are self-funded but have both specific and aggregate excess policies in place to account for larger claims than expected, either individually or in total, for the plan. The borough recently switched to a managed care plan design after extensive negotiations with the employees and their bargaining units.

The total estimated cost of the entire health benefits package for Princeton Borough, the library and the housing authority is estimated to be \$1,031,900. The health plans are estimated to cost \$789,700. The prescription plan is estimated to cost \$146,200 and the dental plan is estimated to cost \$96,000. The borough is self-funded for its primary plan, but carries individual and blanket excess policies in order to limit its potential fiscal exposure. According to the budget preparation worksheet, there are 41 library employees and 10 housing employees, as well as 23 retirees, who receive benefits out of the 198 employees who selected some form of coverage.

The borough switched to a managed care plan as its core plan in March and as a result of the changes, the plan is expected to save \$68,590 (9%) in plan charges and about (25%) in excess insurance policy premiums.

Princeton Borough provides evidence that if a municipality is willing and successful in negotiating plan design changes, which limit its costs, the municipality can save money outside of the state's health benefits plan. If it can not, the plan offered through the State of New Jersey may be a better option.

The review team conducted a cost comparison of the borough's plan to the state's health benefits plan. The comparison revealed that the borough, the library, and the housing authority collectively are saving \$125,000 over the state's rates. This can be directly attributed to plan design changes and a good claims history.

The borough can increase its savings by negotiating a 20% other than single co-pay on the per capita assessment. Based upon 1999 rates, the borough would save approximately \$186,100 in premiums. The borough also needs to enforce its personnel policies regarding coverage. The borough currently provides coverage to employees who meet their employment criteria, but has deviated from its policies in the past at great expense to the borough. The rules are in place for a reason and personnel who do not meet the criteria required by the borough should not receive health benefits.

While plan costs are still close together, the borough should select the PPO as the cost benchmark and negotiate charging employees the difference in costs. At this point this measure would provide minimal savings; however, the savings will increase with the anticipated increases in other plans' costs.

**Recommendations:**

**The borough is encouraged to negotiate a 20% other-than-single co-pay on the per capita assessment.**

**Potential Cost Savings: \$186,100**

**It is recommended that the borough establish the PPO as the cost benchmark and require that all participants pay the cost difference between the PPO premium and the plan selected by the participant.**

In 1999, the borough appropriated \$910,000, which fully funds the contingency and all expected claims for use before the excess policies can be accessed. The borough has had a history of using the excess fund to resolve other funding issues that the government is facing. This can be risky for a self funded insurance plan. According to industry guidelines, it is recommended that the fund possess at least three to four months worth of claims reserve for either excess claims or run out of claims in the event of a change in plans.

**Recommendation:**

**It is recommended the borough continue to fund up to the excess coverage and have an available balance in the fund of approximately three to four months worth of claims for potential liability which currently is approximately \$200,000 – \$275,000. This will have no further impact on the current budget because the council has already budgeted for it.**

**Dental**

The dental plan is estimated to cost \$96,000 in 1999. If the borough were able to negotiate a 50% premium co-pay with its employees, the borough would save \$48,000 in premiums.

**Recommendation:**

**It is recommended that the borough negotiate a 50% premium co-pay for dental.**

**Potential Cost Savings: \$48,000**

**Prescription Plan**

The prescription plan has recently undergone some changes as a result of negotiations with the police union. The current design allows for a \$0/generic and a \$10 brand name co-pay. All mail order prescriptions are for a 90-day supply and have a \$0 co-pay. Recently the savings between mail order prices and local pharmacies through network discounts have been significantly reduced. LGBR suggests that the co-pay for mail order be changed to reflect the type of medication and the length of the prescription obtained since mail order is no longer a less expensive alternative.

Some of the larger prescription administration companies are introducing methodologies to lessen the use of more expensive, specific name brand medications in order to control costs. Techniques include the use of three tier co-pays and drug formularies that do not include some medications because the drug's therapeutic efficacy does not warrant its premium price.

If the borough were to institute a three tier co-pay to its employees of \$5/generic, \$10/brand name, and \$25/non-formulary brand name, it could expect to save from 7% to 9% or \$10,200 - \$13,200. Another cost savings technique would be to institute an integrated pharmacy management program where a pharmacist reviews prescriptions of individuals in a group and makes suggestions to change a prescription regimen in consultation with the insured's doctor. The savings through pharmacy management are estimated to be 3% - 7% or \$4,400 - \$10,200.

The prescription benefits consultant could work directly with the patient to identify and recommend other medications that in their opinion have the same therapeutic value as the non-formulary medication. The city could save about 3% - 6% with this concept or \$4,400 - \$8,800.

These savings cannot simply be added together, but the aggregate of these concepts should save about 10% on the total cost of the prescription plan. More importantly, implementation of these concepts will hold down future increases for the city. The administrator of the self-insurance plan indicated that there are pharmacy administrators that can assist the borough with cost savings measures such as those discussed above.

### **Recommendation:**

**It is recommended the borough negotiate and implement the prescription plan design changes discussed above.**

**Potential Cost Savings: \$14,600**

### **Legal**

During 1998, the team identified a total of \$267,728 in legal expenditures for the Borough of Princeton. Of that amount, \$178,222 was attributable to general borough legal services, such as drafting resolutions, ordinances, and agreements, attendance at all borough council meetings and providing legal advice and representation to the mayor, council and borough personnel. The borough has six other professional service agreements for legal services in specialty areas. The following table illustrates the various legal expenses paid as indicated by the vendor history file:

<b>Service</b>	<b>Amount</b>
Borough Counsel	\$178,222
Solid Waste Dispute	\$30,577
Zoning Board	\$7,744
Tax Appeals	\$20,930
Planning Board	\$10,765
Affordable Housing	\$10,431
Bond Counsel	\$9,059
<b>Total</b>	<b>\$267,728</b>

The team reviewed various invoices remitted by the law firm, which indicated the borough has a heavy reliance on the firm for what appears to be unnecessary support. Evidence of this reliance is the fact that the law firm had billed the borough approximately 1,000 hours of work for an average of 20 hours per week, which seems quite high. The review team found no set

procedures or directives on who can contact the law firm and for what specific reasons. The vouchers submitted indicated the law firm had contact with many different borough personnel during the year. The lack of set procedures or directives could have a negative effect on controlling the legal costs since the law firm bills a per hour rate to the 10th of an hour. Other items that increase the legal costs are the preparation of council resolutions and ordinances and personnel related matters. The review team contacted some neighboring municipalities and found the number of hours related to legal services ranged between 700 and 1,000. If the borough were able to reduce the legal hours by 200 by performing more background work on the issues than what is currently being performed; it is estimated the borough could save \$25,000.

Another option would be to hire a part-time staff attorney for 15–20 hours per week. The median annual salary for attorneys, according to the 1997 wage survey conducted by the State Department of Labor, was \$85,280. It is estimated that a salary of \$40,000 for the 15 hours weekly, including council meetings, is within reason. If a community were to pay more in order to get proven quality, there would still be cost savings.

### **Recommendations:**

**It is suggested the borough clerk prepare draft resolutions and ordinances for review by the attorney, rather than the attorney preparing them.**

**It is recommended that the business administrator take a more active role in personnel matters such as changes to the personnel policy manual and other routine personnel matters.**

**It is recommended that the borough establish procedures delineating who and when the attorney should be consulted and on which specific matters.**

**The above recommendations could reduce the number of billable hours by 200 and produce a cost savings of \$25,000.**

**Cost Savings: \$25,000**

**It is recommended that the borough review the possibility of retaining a part-time staff attorney to work the equivalent amount of time.**

**Value Added Expense: \$40,000**

**Cost Savings: \$113,222 (net)**

### **Other Legal Staff**

As required, there is one borough prosecutor who is retained on a professional service agreement for \$42,000.

### **Public Defender**

The borough employs two part-time public defenders from the same law office who are paid through the municipal payroll and receive health benefit coverage. During 1998, the public defenders were paid a combined \$20,044 in salary. When health benefits, pension, social security and Medicare benefits are added, the cost for the public defenders totaled \$37,366.

**Recommendation:**

**It is recommended that the public defenders be paid by contract and not receive benefits nor be pensionable employees.**

**Cost Savings: \$15,029**

The municipal public defender law, N.J.S.A. 2B:24-1 et. seq. requires each municipality to hire a public defender. The law allows application fees to be charged for those requesting a public defender and that these fees be used to offset the cost of the public defender. The fees can be as much as \$200, as long as they are not greater than the cost of the public defender for the case. The judge sets the fees based on completed paperwork. The borough enacted the requisite ordinance in late 1998. Receipts to date are \$2,100, with collected amounts increasing fairly steadily each month. Collections are low because the public defender's fee is collected after all time payments are disbursed to the appropriate fund. Charging fees serves two purposes; it recoups some of the municipal costs and it vests the defendant more fully in his/her relationship with the public defender, assuring that the best possible use will be made of the public defender if one is requested. It is estimated that the public defender is used for an average of ten cases per week.

**Professional Service Agreements**

The borough has numerous professional service agreements for a wide variety of services. A review of the agreements indicates that the majority have specific monetary values with a "not to exceed" clause.

**Recommendation:**

**The borough should consider some form of competitive proposal when preparing to renew agreements for professional services to ensure that fees are competitive and appropriate.**

**Technology**

As is the case with many communities where financial and staff resources are constrained, Princeton Borough's approach to the use of technology in the provision of municipal services has been reactive and inconsistent. It has not developed a technology plan; staff support is itinerant; maintenance is not addressed systematically; and the borough had just begun to address the Y2K issue in the spring of 1999.

The borough clerk, in addition to her regular duties, provides staff support. As technological applications have become more complex and sophisticated, it is difficult to stay current with the requisite knowledge. This is an area where there could be another shared service arrangement, either by sharing college interns or a consultant on contract.

**Recommendation:**

**It is recommended that the borough confer with the township and the board of education to hire a technology staff person who can be shared by all entities.**

**Value Added Expense: \$20,000**

Expenditures that could be identified for technology included the staff expense of the borough clerk at 10%, which equals \$8,400 in salary and benefits; \$29,117 hardware and software maintenance; \$1,520 for Y2K consulting; \$21,785 for hardware and software purchases. The total of these expenses was \$60,842.

The borough has 60 computers: 17 in the police department and 43 throughout the rest of the municipal government. The computers use three different operating systems: Windows 3.1, Windows 95 and Windows NT3.51/4.0, and various versions of DOS. In addition, a variety of word processing and spreadsheet software is used. Sixty percent of the computers operate at a speed found in technology of the early 1990's. The most recent computers purchased were Pentium based technology in 1998 for the police department. A consultant recently reviewed the borough's computers for Y2K compliance and found that 30 of the existing computers needed to be replaced.

Forty-two of the borough's computers are on a network system developed by an individual. In order to get support, the borough has been contracting with the individual's employer, which has changed three times making it very difficult to establish any consistent support. There is concern that a slow response time of sometimes up to five days interferes with office operations and is, therefore, inadequate. The police department has separate system maintenance contracts for the office computers and the Mobile Data Terminals (MDT's).

**Recommendation:**

**It is recommended the borough solicit proposals for a contract for the design and maintenance of the networked system in accordance with the Local Public Contracts Law.**

In response to the consultant's recommendation for correcting the Y2K problem, the borough requested \$100,000 as part of a recently introduced bond ordinance to purchase the PCs required to replace all those not Y2K compliant and to install consistent software throughout the municipality.

**Recommendation:**

**It is recommended that the borough address its Y2K problems and upgrade the computers to facilitate a smooth transition.**

Although the borough does not maintain a complete inventory document, the Y2K consultant supplied the borough with a working inventory indicating which computers passed the assessment and which failed. To be most useful, a technology inventory should include serial numbers for each piece of hardware and the type and version of all software contained on the PC.

**Recommendation:**

**It is recommended that the borough maintain a detailed inventory document of all hardware and software components.**

**Technological Initiatives**

The borough maintains a web site that was provided by an independent company called Princeton Online. The web site was developed by Princeton Online at no cost to the borough. The web site contains an array of information about the Princeton area and provides links to various governmental departments. Some of the information contained on the web site includes the monthly council agenda, borough phone directory, police department information, recycling information and an “ask the mayor” option. The borough clerk maintains the agenda information while the police department maintains their department and the mayor maintains the “ask the mayor” option.

**The borough is commended for its use of the web site as a means of communicating with its residents. It is an excellent means of encouraging community development.**

**Recommendation:**

**With the community being technologically savvy, the borough should continue to explore other uses of the Internet to conduct borough business.**

All of the issues identified above can begin to be addressed with the development and implementation of a technology plan. This plan should include input from all key parties including citizens, elected officials, department heads and other employees. It should delineate the appropriate use and development of technology and establish a plan for implementation, including a budget for acquiring and replacing equipment. It should also establish standard software packages and identify appropriate staffing, leadership and decision making procedures.

**Recommendation:**

**It is recommended the borough develop and implement a technology plan.**

**FINANCE**

The Borough of Princeton’s finance department is responsible for tax and sewer collections, purchasing, various revenues, debt and budget management. The department’s staff consists of a CFO/Tax Collector, a deputy tax collector, two part-time tax clerks, one full-time bookkeeper

and a part-time clerk. Tax collection is described in detail below. General finance expenditures amount to \$84,350 in salaries, \$3,000 in overtime, \$19,670 in benefits and \$15,520 in other expenses for a total cost of \$122,540.

The CFO's salary is split 60/40% between finance and tax collection. Although many of the major financial functions operate well, there are a few issues that came to the team's attention. Each relates to proactive, forward thinking leadership. First, the CFO spends 20 minutes daily counting meter money. This does not appear to be an appropriate use of the time of a senior staff person earning \$45.53 per hour in salary and benefits. Second, the CFO will not use the automated general ledger function of the borough's financial package. He continues to maintain it manually. Third, there are slow pay issues related to the purchasing function that appear to be resolvable with more assertive direction from the CFO. Another issue is that the assistant administrator, rather than the CFO, primarily prepares the budget. Last, financial reporting on grants and tracking of revenues and expenditures are not routinely and accurately performed in finance.

### **Recommendation:**

**It is recommended the administrator review the responsibilities of the CFO and review the chain of command to develop a clearer delineation of the CFO's responsibilities and expectations related to them. In turn, it is recommended that the administrator be explicitly given the authority and latitude to enforce those expectations.**

In November, 1998, Moody's assigned an Aa1 rating to new debt of \$7,055,000 and downgraded the borough's existing debt of \$23 million from Aaa to Aa1. The decision was based on the high fixed costs of the debt and the mature, declining tax base of the community, as well as satisfactory financial operations with limited flexibility. Each of these issues is addressed in the relevant subsection of finance. This downgrade had negligible, if any, impact on the interest rate obtained on the new debt.

### **Audit**

The most recent audit available was for the year ending December 31, 1997. In this audit there were three comments requiring action all relating to 1996 audit comments. They were:

- Public assistance expenditures need to be accurately listed on the monthly report form GA-6.
- The municipal court reconcile the open items of bail with the balance on deposit in the bail bank accounts.
- A corrective action plan for the 1996 audit comments be prepared.

Corrective action plans were submitted for 1996 and 1997.

### **Purchasing**

Princeton Borough has a decentralized, automated purchasing system. A purchase requisition is prepared in the department and then sent to purchasing for certification of funds and electronic

approval by the CFO and the administrator. One and one-half staff members work on purchasing. A recent Dun and Bradstreet Business Information Report indicated that the borough pays approximately half its bills within thirty days and an average, weighted by dollar amounts, goes 26 days beyond thirty days. There have been fairly serious incidents of slow pay, however, it was difficult to attribute a particular cause. We were shown documentation that indicated that perhaps not everyone involved in the purchasing process has adjusted to the change to a fully automated purchasing system. In addition, it appears that the purchasing staff feels obligated to double check information provided through departments when, in fact, in a decentralized system, the department heads are responsible for assuring that appropriate procedures are followed. Payment can be slowed down by actions or inactions at almost any point in the process, from the vendor not signing and returning the voucher, to the department not returning the shipping receipt to purchasing.

The issue appears to be not so much the process design, but the lack of a clear understanding of the responsibilities of each person in the process and consistent enforcement of process. This is something that can be clarified through a reexamination of the process itself and a clear redefinition of the process, as well as the responsibilities of each individual.

#### **Recommendation:**

**It is recommended that the administrator and the CFO reevaluate the purchasing process, clearly delineate the responsibilities of each person in the process, and establish a means of holding each individual accountable.**

#### **Capital Investment/Debt**

According to the 1998 Annual Debt Statement, the borough's net debt was \$23,015,414 or 2.39% of the equalized valuation for the three preceding years. The 1997 Annual Debt Statement, as amended, states the borough's net debt ratio as 2.46%. This is below the statutory limit of 3.5% (N.J.S.A. 40A:2-6). The borough's serial bonds include a mix of general improvement bonds and assessment bonds. The borough also has approximately \$3.47 million in wastewater treatment trust loans outstanding. Reserve for debt service and reserve for wastewater trust loan proceeds amount to \$955,705, which are dedicated to the payment of debt service.

The borough issued \$7,055,000 in general improvement bonds in 1998. In November, 1998, Moody's assigned an Aa1 rating to the new debt and downgraded the borough's existing debt from Aaa to Aa1. The decision was based on the high fixed costs of the debt in relation to the stagnation of the tax base. However, the borough still enjoys favorable interest rates (3.5% - 4%) on the bonds. According to the 1999 municipal budget, the borough expended \$3,307,660 in debt service for 1998, and appropriated \$2,647,303 in debt service for 1999. The decrease of \$660,357 consists of savings from payment of bond principal, payment of bond anticipation notes and the interest on the notes resulting from the permanent financing of those notes in 1998 at favorable interest rates.

Capital improvements authorized in 1998 include a \$1.5 million sewer rehabilitation project, and \$1.54 million in various capital improvements. The appropriate down payments were provided by ordinance. The borough has canceled completed improvement authorizations and reallocated the monies to capital surplus to fund future capital projects.

The borough's capital planning and management program, a six-year list of planned capital projects, is filed with the budget document and is generally adhered to. The borough's capital plan is aggressive in light of the rate of growth of its tax base.

#### **Recommendation:**

**It is recommended that the borough carefully review its capital commitments and look for less costly alternatives that will not add to the level of debt carried by the municipality.**

#### **Cash Management**

The borough maintains 18 bank accounts with five different banks. There are ten accounts with PNC Bank, five accounts with Summit Bank, one account with Sovereign Bank, one account with Fleet Bank, and one account with First Union. According to the borough's CFO, each account serves a specific purpose. In addition to the bank accounts, the borough has maintained an account with the New Jersey Cash Management Fund (NJCMF) and has had various short-term certificates of deposit with PNC Bank. The CFO is responsible for implementing the borough's cash management plan.

Summit and PNC Banks have served as the borough's primary banking partners for the past 40 years. The primary reason for this long-standing relationship is a commitment to utilizing banks within the borough. The borough has not solicited bids for any of its banking services.

#### **Recommendation:**

**It is recommended that the borough issue a Request for Proposal (RFP) on a regular basis to assure that it continues to receive the best possible return on investments.**

#### **Cash Analysis**

The review team analyzed the borough's investment income and concluded that the borough earned competitive interest rates on its fund balances by utilizing different investment tools. The borough received approximately \$590,000 in interest during 1998. Approximately 55% of the interest, or \$325,000, was earned from January through September in the NJCMF. In October of 1998, the borough established a sweep account with PNC bank, which yielded approximately \$135,700 in interest. The sweep account allows the aggregation of the cash balances at the end of the business day for purposes of crediting interest. In doing so, the borough gets the benefit of greater interest earnings because it is based on the cumulative balances of all of the accounts.

The team compared the actual interest paid by PNC Bank to the estimated potential earnings from the New Jersey Cash Management Fund (NJCMF) as well as to the 91-Day T-Bill. These amounts were \$138,297 for PNC, \$136,046 for NJCMF and \$118,845 for the 91-day T-Bill. Therefore, the borough did effectively maximize its earnings.

**The borough is commended for its successful management of investments.**

### **Banking Services**

The borough does not utilize any automated on-line services such as balance reporting, which would give the borough real-time access to the fund balances in any of its cash accounts. The best way for the borough to determine the viability of any automated or other banking services is to meet with its government-banking representative and discuss user needs versus product offerings.

### **Recommendation:**

**It is recommended that the borough explore service options with a variety of providers on a regular basis.**

### **Budget**

The 1998 total general appropriation for the borough was \$16,728,911. The administration and council conduct a budget development process that begins with the department heads. It is reviewed by the administration and then presented to council. The budget form is very informative and detailed and includes historical information and a detailed presentation of expenditure estimates.

Joint agency administration and, therefore, the budgets are assigned to one of the two municipalities. Each joint budget is approved at a joint meeting of the two governing bodies. In 1999, two improvements were made to the joint budgeting process. First, the administrators developed a consent agenda for those items which were clearly not controversial or involved no major changes. Second, all policy discussions were postponed to be heard at meetings during the summer, separately from the budgeting process.

**The municipalities are commended for identifying and implementing measures to facilitate the budgeting and policy management of joint agencies.**

The current software used for budget preparation is not Y2K compliant and, therefore, must be replaced. The budget package that is part of the financial system did not provide enough detail and flexibility and, therefore, the borough is planning to purchase a separate software program that interfaces with the financial package. Discussions with borough staff indicate that they are going through the appropriate and detailed evaluative steps in making a decision on a package, although the team has some reservations about not being able to use the existing package.

## **Expenditures**

Actual 1998 expenditures were \$16,077,841 with reserves of \$633,437.65. The reserves are 4% of the budget. In previous years, the percentage of reserves that went to surplus after 12 months was 52% in 1996; 48% in 1995; 47% in 1994; and 33% in 1993. Ignoring the trend of higher percentages and applying the average percent lapsed of 45%; the projected lapsed amount for 1998 is \$285,000. This amount is equivalent to between two and three tax points or less than 2% of the budget.

## **Recommendation:**

**It is recommended that the finance officer identify appropriations eligible for cancellation and they be cancelled by the borough's governing body before the end of the year, in order to realize the surplus amount sooner.**

## **Revenues**

Other revenue estimates have been very accurate. In 1998, with permission from DCA, the borough included anticipated revenues resulting from rate increases in the parking meter fees, sewer fees, and UCC fees, in order to assure the accuracy of these revenue projections. This enabled the borough to further limit the tax increases required. In 1998, revenues exceeded projections by more than \$300,000, due primarily to better than could be anticipated returns on investments and an increase in court revenues that also could not have been predicted.

## **Tax Collection Rate**

The borough is also extremely aggressive in the estimate of its tax collection rate in that it generated an excess of just \$139,381. The 1998 anticipated collection rate was 98.5% and the actual rate was 98.46%. The anticipated collection rate for 1999 has been revised and lowered to 98.35%.

## **Surplus**

An examination of the trends in the use of the surplus and additions to surplus over the past several years indicates that the borough has stabilized its surplus and its use of surplus as revenue. In 1998, the addition to surplus is estimated to have been almost equal to the amount of surplus appropriated. The borough appropriated \$826,000 in surplus in 1998 and in 1999. The surplus remaining in 1998 was approximately \$505,000 and in 1999 is estimated to be approximately \$478,000. The result was a \$1.3 million year-end surplus for two years. This amount is about 8% of the budget, which is more than adequate.

<b>Surplus Analysis</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
1/1 balance	\$1,304,605	\$1,328,664	\$1,678,195	\$1,456,221
Surplus Anticipated	\$826,000	\$826,000	\$940,000	\$900,000
Surplus Remaining	\$478,605	\$502,664	\$745,115	\$457,427
31-Dec		\$1,304,605	\$1,331,675	\$1,685,115
Addition to surplus	(estimate)	\$801,941	\$586,560	\$1,227,688
Addition - Anticipated		\$(24,059)	\$(353,440)	\$327,688

## **Conclusion**

Budget estimates for revenues are both accurate and thorough. An extra effort is made to anticipate revenues from rate increases in the budget. Revenue estimates are accurate to the extent they are predictable. The surplus is used consistently and results in a reasonable balance. The tax collection rate, though a fraction lower than anticipated, still resulted in more collections than estimated in the budget because of tax base growth. These budgeting policy decisions taken together as a whole produce a budget with the least possible reliance on property taxes and property tax increases while maintaining stability and assuring a balanced budget. This same careful balancing is a factor that Moody's considered to be a negative factor when it lowered the borough's bond rating from Aaa to Aa1. Moody's described it as maintaining satisfactory financial operations with limited flexibility.

## **TAX COLLECTION**

The Borough of Princeton's tax collection staff consists of the tax collector/CFO, deputy tax collector and two part-time tax collection clerks. Total cost of the tax collection operation was \$84,350 in salaries, \$3,000 in overtime, \$21,683 in benefits and \$17,160 in other expenditures for a total cost of \$119,793. The collection rate in 1998 was 98.46%. The office is responsible for billing, recording and collecting taxes on 2,397 lines, sewer payments for 2,260 accounts and approximately 200 special assessment accounts. The total tax levy for 1988 was \$21,513,025.

The staff configuration is appropriate as there is a negligible backlog of rarely more than one day and the flexibility of having part-time employees enables them to work more hours during the heavy tax collection periods.

Delinquent taxes collected in 1998 were 94.82% of outstanding taxes. Delinquent notices are sent out at least quarterly and a tax title lien sale was held in December, collecting \$751.70 on a total of \$19,889 in outstanding liens.

## **TAX ASSESSOR**

The Borough of Princeton is confronted with a completely developed tax base combined with more and more removal of taxable properties from the tax rolls by the university and other tax-exempt organizations operating within the borough. The borough has 2,397 line items valued at \$1,906,172,730; \$979,993,700 of which was taxable in 1998. Princeton Borough's property is 48.59% tax-exempt, \$1,768,800 was moved to tax-exempt status between 1998 and 1999. From 1999 to 2000, it is expected that as much as \$4,000,900 will be reclassified as tax-exempt. In 1998, \$5,000,000 was added, producing just \$75,000 in additional taxes. It is this stagnation of the tax base that was cited by Moody's as a reason for lowering the borough's bond rating.

The cost of operating the assessor's office in 1998 was \$47,959 for salaries and benefits and \$8,365 for other expenditures for a total of \$56,324.

The October 1, 1997 equalization ratio was 101.91%. The October 1, 1998 ratio decreased to 99.88% and the October 1, 1999 equalization ratio is estimated to be approximately 91%. This drop is the result of a very strong rebound in the real estate market within the last year. Residential (Class 2) sales were the only sales used in the ratio study and they came out to 84% of true value. In previous years, commercial and vacant land sales held up the ratio averaging 100% for commercial (Class 1) and 108% for vacant land (Class 4) in 1998. The last revaluation in the borough was in 1996. The assessor has begun to seek approvals for completion of a reassessment by the year 2002.

An assessor who works ten hours per week and an assistant who works fifteen hours per week staff the Borough of Princeton's assessor's office. In 1998, the configuration was somewhat different in that the assessor worked twelve hours per week and two assistants worked seven hours each. The staffing level is well within the range recommended by the International Association of Assessing Officers (IAAO). The IAAO recommends between 10 and 20 assessor hours and between 3 and 20 other staff hours for communities with between 1,500 and 2,700 lines.

### **Tax Appeals**

Two appeals were settled in 1998. One was settled for a reduction of \$215,200 in assessments for 1998, credited against future taxes. A second was withdrawn for 1998 and settled for a reduction in assessments of \$234,000 in 1999.

Nine Princeton University Eating Club appeals valued at \$15.38 million were settled for a total reduction of \$123,000 in assessed value in 1999. The appeals cost approximately \$16,000 in legal and appraisal fees and just under \$12,000 in refunds.

### **Payment in Lieu of Taxes (PILOTs)**

Because of the constraints on the borough's tax base and because the tax exempt properties are users of the services, the borough actively endeavors to mitigate the impact of property value lost to tax-exempt organizations and to collect payments in lieu of taxes. The team was unable to identify documentation of the various agreements for payments by tax-exempt organizations but did, through the state budget document, identify the payments discussed below.

Princeton University paid \$1,747,460 in taxes in 1998 on \$79,790,700 in taxable property. \$454,328 of which was for municipal purposes. The university owns \$697,482,500 in property, which is tax-exempt. This amounts to an estimated tax revenue loss of more than \$15 million and is 78% of the tax-exempt property value in the community. \$3,971,465 of the tax revenue loss would be for municipal purposes. In addition to taxes, the university pays \$90,000 as an annual donation plus \$700 for health services and \$5,000 for fire equipment.

Other annual payments include:

McCarter Theatre	\$50,170
Princeton Theological Seminary	\$69,000

Total in lieu payments from all sources to the general fund is \$214,870.

As the university and McCarter Theatre acquire properties, the borough works with them to gradually reduce the taxable value rather than being hit with it all at once.

### **Recommendation:**

**It is recommended that the borough more thoroughly and consistently maintain documentation of agreements with nonprofits.**

## **POLICE**

The Princeton Borough Police Department consists of 34 sworn officers and 10 civilians. The cost of this operation for 1998 included \$2,459,013 in salaries, \$787,408 in direct benefits, \$41,711 in overtime and \$172,075 in other expenses, for a total of \$3,418,496. There are eight school-crossing guards that cost \$21,413 in salaries and \$3,209 in statutory expenditures, for a total of \$24,622. The grand total for the department and crossing guards for 1998 was \$3,484,829. Total reported calls for police service in 1998 were 8,479. The department responded to 560 motor vehicle accidents of which 398 were reportable to the state. The department issued 4,631 non-moving summons and 43,924 parking summons.

Looking at the 1998 Uniform Crime Report, it appears that Princeton Borough has a similar population, area, density, character and median income to New Providence, Somers Point, Elmwood Park Borough, Maple Shade Township, Collingswood Borough and South Orange Village. 1998 Uniform Crime Report (UCR) data indicates: the number of officers range from 23 for New Providence to 56 for South Orange. Princeton had 32. The crime index for Princeton was 609 of which compares to 168 for New Providence to 749 for South Orange. Population per officer for Princeton was 349 compared to 290 for South Orange and 627 for Maple Shade. The ratio for crimes per officer in Princeton was 18 compared to 7 for New Providence and 23 for Maple Shade. Crimes per 1,000 population were 51 in Princeton and ranged from 14 in New Providence to 46 in South Orange Village. Together these comparisons indicate that staffing of the Princeton Borough Police Department is consistent with similar communities (see Appendix A for details).

### **Mission, Policies and Procedures**

This department exhibits a sense of purpose that is responsive to the high expectations of the residents. The department has published a mission statement (see Appendix B) that describes its purpose and its commitment to the community. This is included in every police employee's manual and in the annual report issued to the community through the governing body each year. The rules and regulations and the department policies and procedures are current.

## **Organization/Operations**

The police department organization includes a chief, one captain, two lieutenants and six sergeants. These ten supervisors are responsible for twenty officers, five civilian dispatchers, two parking enforcement officers, three clerical workers and eight school crossing guards.

The department is divided into three units. The captain, who is second in command, is in charge of the patrol squads, the Safe Neighborhood Unit (SNU), parking enforcement and the crossing guards. One of the lieutenants commands the operations function, which includes the records section, communications and information technology. The other lieutenant is responsible for administration, which includes training, internal affairs, personnel and the detective bureau. The organization of this department allows for a logical division of work, responsibility and span of control; therefore, no changes are recommended.

### **Schedule**

Officers assigned to the patrol squads work two days on, two days off, three days on, two days off, two days on, three days off. The twelve-hour shift cycle repeats every fourteen days. This type of schedule results in 2,190-hours worked per year (averaging a 42-hour workweek). In order to equalize this schedule to match the 2,080 hours the rest of the department works, they are assigned one extra night off per month for January through May and September through December (9 months). This brings the hours worked per year down to 2,082. Demonstrating appropriate use of managerial prerogative, the extra nights off are scheduled to avoid the busier summer months.

Officers assigned to the SNU work six days on, two days off, four days on and two days off. The eight-hour shift cycle repeats every 14 days. This type of schedule results in 2,080 hours worked per year (averaging a 40-hour workweek).

Officers assigned to the detective bureau and administrators work a 40-hour week that results in 2,080 hours worked per year.

### **Patrol**

Each squad consists of a sergeant, four patrol officers and a civilian dispatcher. An Officer in Charge (OIC) commands the squad when the sergeant is off. The OIC is paid the sergeant's rate after the third consecutive work day, or if the total number of days in a calendar year exceeds fifteen days. This cost is identified in the budget as acting sergeant's pay. In 1998, this amounted to \$4,663. The minimum staffing identified for the patrol squad is to have two officers and a sergeant on the road, as well as a one dispatcher.

### **Patrol Analysis**

The team reviewed data obtained from the records management section of the Computer Aided Dispatch (CAD) system in 1998. The department reported 8,479 calls for service. Traffic enforcement activity is significant in this department. Only motor vehicle stops that result in an arrest are recorded. The department issued 4,631 non-moving summons in 1998 and made 53 DWI arrests. The department arrested 75 people for "all other offenses". It is estimated that at

least 75% of these were the result of motor vehicle stops and are included in the recorded actions (56). Of the 129 people arrested on warrants, it is estimated that at least 75% also were the result of motor vehicle stops (96). The known and estimated stops resulting in arrests totaled 205 and are included in the 8,479.

It is the opinion of the team that the reported calls for service are significantly understated because all motor vehicle stops are not reported. A fair, more accurate estimate is gained by adding the number of non-moving summonses that have not already been reported (4,426) as motor vehicle stops to the number of calls for service. The team has made the assumption that the motor vehicle stops that result in no action compensate for the motor vehicle stops that result in more than one non-moving summons being issued. Therefore, a revised estimate of calls for service is 12,905.

### **Recommendation:**

**The borough is urged to assure that the department documents all actions that police officers engage in so a more accurate account of the officers' activity is available.**

The current CAD system used by the department is not able to deliver the average consumed time per call for service. This data is important when determining staffing levels. The new CAD system will have that capability. The average time consumed, which we will use in our calculations, is one that is based on previously conducted patrol workload analyses done by the New Jersey Division of Criminal Justice (DCJ). The average was 43 minutes per call.

Officer availability is a factor in determining the staffing levels. Subtracting averages for scheduled time off, vacation, personal, sick, compensatory, training, holiday and other time from the total number of hours available results in total average availability of 1,663 hours per officer (see Appendix C for details).

The team used two methods for evaluating patrol staffing. One is based on the number of calls for service and the other is based on the minimum number of officers the department feels safe deploying for a shift.

The first method does not account for the impact of patrol supervisors, special assignments (SNU), detectives, DARE, and administrative services (see Appendix D for details of the calculations).

The first method takes total patrol activities multiplied by average consumed time, multiplied by a factor of three to account for preventive patrol, answering calls and administrative time, and then divides that time by average officer availability. To meet the current patrol staffing needs based on the revised patrol workload in 1998, seventeen officers are required. This is the minimum staffing and does not consider the supervisors on each squad/shift. We recommend one supervisor per squad/shift. Based on the current staffing of 16 patrol officers and four squad sergeants, the patrol squads are short one position. This shortage is compensated for by using the squad sergeants when officers are busy.

The second method is based on the number of sworn officers available for road patrol for each squad. The department has determined that two officers are needed to safely and effectively deploy the squad. Thus, two officers are the minimum manning required. Using this formula, the result is 11 officers (see Appendix D). We recommend one supervisor per squad so that the total number of supervisors is four and thus the total number of sworn officers would be 15.

Both calculations indicate that the present staffing levels for the patrol function are appropriate to providing the current level of service in the borough.

### **Patrol Operations**

The 12 hour shifts start at 6:30 a.m. and 6:30 p.m. One officer is brought in one half hour early to cover the shift change. The squads have tasks assigned every day. These include downtown walking posts, radar assignments, pedestrian crossing enforcement, school crossings and vacant property checks. Patrol officers also relieve dispatchers for lunch breaks and cover the parking enforcement position when needed. Additionally, the night shift covers a walking post, the parking lots and enforcement of the overnight parking ordinance.

All of the marked patrol vehicles are equipped with radar and Mobile Data Terminals (MDTs). The keys to all of the department vehicles, other than the car assigned to the chief, are available to the squad sergeant.

This department currently provides an extraordinarily high level of service and, therefore, should address/assess its policy for responding to the service calls discussed below.

**Alarms:** Of the 8,479 calls for service that the department reported during 1998, 1,313 of these (15%) were alarms. According to the 1998 annual report, 480 residential intrusion and 644 commercial intrusion alarms responded to were false (86%). This type of call typically required at least two officers to respond to residential alarms and three officers for commercial alarms. It is estimated that these calls average 20 minutes to clear. In addition to consuming patrol officers' time, responding to alarms that are consistently false creates a complacent attitude among officers that can lead to grave consequences when confronted by a real event. The average hourly rate for patrol officers in the department is \$26.83. The residential intrusion alarms cost the borough 320 officer hours of response time. The commercial intrusion alarms cost the borough 644 officer hours. The department also responded to 51 residential and 136 commercial fire alarms. Only two were not false. 185 were false (99%). Using the same amount of time for this type of alarm and using one responding police officer, they are estimated to cost the borough 61 hours of officer time. The total number of officer hours required to respond to these alarms in 1998 was 1,025, which cost \$27,500.

The borough has an ordinance in place that addresses the fire alarm issue. The ordinance requires the registration of fire alarms with the borough fire official, but does not establish a registration fee. It also imposes penalties of between \$100 and \$1,000 along with jail or community service after the sixth false alarm during the year. The fire official is responsible for the notifications that are required and enforcement of this ordinance. Princeton Township has enacted an ordinance to deal with all types of alarms. This ordinance charges a modest fee of \$25 annually to register each alarm. Registration enables the department to gain important

information regarding the owners of the system and a means to notify them or responsible third parties to deal with events triggering an alarm response. Additionally, this has generated \$39,675 for the township in 1998 for 1,500 alarm systems. The team feels that the number of alarms registered in the borough would match this number. Experience in the township has shown that in the first year of enactment, the number of false alarms dropped 30% and has now dropped 60% (see the chart in Appendix E).

#### **Recommendation:**

**It is recommended that the borough enact an ordinance that requires the registration of fire and intrusion alarms. The ordinance should assess increasing penalties for multiple false alarms in order to reduce them to an acceptable level. Since the borough and township share fire service, we further recommend that the two jurisdictions develop and enact similar ordinances.**

**Productivity Enhancement at 30% reduction: \$8,250**

**60% reduction: \$16,500**

**Revenue Enhancement: \$40,000**

**Lockouts:** The amount of time spent assisting people locked out of their cars or homes can be considerable. The department responded to 701 lockouts during 1998. 684 of these were vehicles. Problems that the officers face are that many of the cars are equipped with electric locks, power windows, side airbags and other electronic controls that can be damaged by the tools the officers are using. The department policy is to have the person requesting the service sign a release form to hold harmless both the officer and the borough for any damage done to the vehicle. Officers are not given any formal training in the use of the tool other than observing a veteran officer. A nearby department which also provided this service documented that they are only successful 60% of the time for cars and 30% for buildings and that these calls averaged 21 minutes. Applying this data to the borough, it is estimated that this service consumed 239 patrol hours costing approximately \$6,302. An alternative is that when this type of service is requested, the dispatcher determines that there are no special circumstances; for example, a child locked in the car, and advises the party that the department can call a locksmith to assist them. The department can provide a list of local locksmiths and what type of payment is required. Locksmiths charge between \$45 and \$125 to open a locked car, depending on the model and when the lockout occurs.

#### **Recommendation:**

**It is recommended that the department establish a written policy and procedure to direct callers to private locksmiths to open cars unless there is an emergent circumstance associated with it.**

**Productivity Enhancement: \$6,302**

**Overnight parking enforcement assignments:** The department has a standing assignment to enforce the prepaid parking at the Spring Street parking lot. The parking attendants provide the police officer a list of plate numbers and stall numbers of vehicles that are in the lot and have not prepaid the fee. The officer then checks the location and issues the summonses. This occurs

around 9:30 each night. It takes approximately one half hour per night during the week and 45 minutes to an hour on Friday and Saturday night. 1,350 summonses were issued for this violation in 1998. If this activity took 4.5 hours per week, it would be 234 hours per year or 5.77 tickets per hour.

### **Recommendation:**

**It is recommended that the parking attendants be sworn in as parking enforcement officers and that they enforce the borough ordinance 19-85.11.**

**Productivity Enhancement: \$6,278**

### **Safe Neighborhood Unit (SNU)**

A sergeant commands this unit of four patrol officers. They work Monday through Saturday. Two officers work each eight-hour shift. The hours vary and the members of the squad are very flexible and change the hours to meet the operational needs of the squad. Among the duties assigned to this unit are:

- Bike patrol: All of the officers assigned are trained bicycle operators and use the bikes when weather permits safe operation.
- The D.A.R.E. program: They teach a modified 10-week course to 200 fifth and sixth grade students in two schools.
- Adopt-a-cop: They also conduct an adopt-a-cop program in three schools, six classes in each school.
- Liaison to the merchants association, including providing shoplifting awareness training and operating the Merchant Alert Plan (MAP).
- Liaison to the Princeton Housing Authority.
- Bicycle safety seminars and helmet giveaway program.
- Safety programs for hotel employees.
- Foot patrols and enforcing pedestrian safety concerns in the central business district.
- Radar enforcement in areas identified during community meetings.
- Address quality of life concerns for borough residents.

### **Parking Enforcement**

The department employs two parking enforcement officers. They enforce state and local parking statutes. Together they issued 34,353 tickets in 1998. The department has one three-wheel vehicle that is used by the officers. The hours assigned are 9:00 a.m. - 5:00 p.m. and 11:00 a.m. - 7:00 p.m. Saturday hours are 10:00 a.m. - 6:00 p.m. They report to the captain and are directly supervised by the squad sergeant on duty. These officers are used for other assignments such as lockouts and traffic direction. During the interviews, the team was told that the average number of tickets issued while on foot are 70 per day and when assigned to the vehicle are 90 per day. The additional 20 tickets per day can generate \$33,760. The cost of a new vehicle is \$17,000; if

used 5 years it is \$3,400 per year. The SNU unit can use the vehicles when the weather is not suitable for operating a bicycle and the vehicle is not being used for the parking assignment. The additional cost for operation and maintenance is not significant.

**Recommendation:**

**It is recommended that the borough purchase an additional three-wheel vehicle for parking enforcement and the SNU.**

**One-time Value Added Expense: \$17,000**

**Revenue Enhancement: \$33,760**

**School Crossing Guards**

The department is responsible for staffing eight-school crossing posts each school day. This costs the department \$24,622 in salaries for the guards. Additional costs include the officers replacing absent guards costing \$5,071, and supervision by police officers which costs \$11,668, \$1,165 for uniforms and \$1,802 for training costs for a total of \$44,328. The hours for these assignments are 7:45 a.m. - 8:30 a.m. and 2:45 p.m. - 3:30 p.m. The guards are paid \$25.00 per day or \$12.50 for each assignment.

The department has an ongoing problem with recruiting and retaining people willing to commit to a job that interferes with daily activities. Issues arise with assignments when a guard is absent. Department policy requires that the posts be covered. This has resulted in times when the entire patrol shift is out of service covering school crossings, with no cars available to respond to police calls. This problem is most acute in bad weather when calls for police service increase due to motor vehicle accidents and alarms being triggered due to storms. The borough has identified the animal control officer as the first one to cover a post; then parking officers can be used before a sworn officer is taken out of service.

**The department is commended for the utilization of alternate personnel for these assignments.**

Even with a coverage policy in place, the police officers expended 189 hours covering crossing posts during the 1998-1999 school year. The department has solicited bids for contracting this service without any response. The team has contacted a vendor and has discovered that the small number of posts within the borough makes it not feasible to bid. If the borough and township combined this function and the township increased the hours worked per post from one to one and a half, vendors might respond. The scenario explored by the team using numbers from a private vendor shows that the cost to privatize this service would be \$54,487 more than the combined costs currently incurred by the borough and township. It is suggested that other borough employees be trained and assigned to fill in when guards are absent. One location is in front of a school and, therefore, it would be feasible for a member of the school support staff to cover it. Another post could be covered by adjusting the hours of the parking officer from 9:00 a.m. - 5:00 p.m. to 7:45 a.m. - 3:45 p.m. to cover the morning and have the late officer cover the afternoon time. This would result in only six posts being covered by guards. This staffing arrangement can be implemented through attrition during the 1999-2000 school year. The

animal control officer should be counted on as a spare guard. A \$500 bonus program can be implemented to reward guards for staying the entire year with good attendance. This program should be designed to reduce the police officers' time doing this work by 75%.

#### **Recommendations:**

**It is recommended that, with the approval of the board of education, school support staff be used for one post.**

**Cost Savings: \$4,500**

**It is recommended that parking enforcement officers be used for one post.**

**Cost Savings: \$4,500**

**It is recommended that attendance bonuses of \$500 for good attendance be paid at the conclusion of the school year so that the number of police officer hours is reduced by 75%.**

**Productivity Enhancement: \$3,800**

**Value Added Expense: \$3,000**

#### **Fleet**

The department operates 14 motor vehicles. There are five marked patrol cars and three marked four-wheel-drive vehicles assigned to the patrol squads and the SNU. This is adequate to support these functions. During the hours the SNU is on duty, it may need three vehicles and the patrol squad could need five if all officers are on duty. A parking enforcement officer uses a three-wheel patrol vehicle. The parking meter repair unit operates an older three-wheel unit that can be used by the department for special events. The chief's car is the only car authorized to be taken home. Two unmarked cars are assigned to the detective bureau; one car is assigned to the administrative section and is shared by the captain and two lieutenants, and one unmarked car is used as a spare car.

The fleet maintenance for the department is done by the department of public works. The cost to maintain the fleet is carried in the police department's operating budget. The 1998 budget amounts were \$35,050.

The fleet appeared to be very well maintained and the officers interviewed agreed that maintenance was not a problem. There is no simple rule for replacement of vehicles or number of vehicles. These requirements are determined by the topography of the jurisdiction, quality of maintenance, and minimization of abuse, among other factors. It is clear from the observed operation and condition of the fleet that it is managed appropriately to have maximum access to vehicles in good operating condition.

Because vehicle maintenance is performed by public works, the expenses appear in the police budget. While it is appropriate to identify all expenses related to a particular function, having funds in a budget without the control of how these funds are used does pose problems related to

control of the funds. In this case, the chief or his designee must sign purchase orders for things that he does not see or control. Items that must be ordered and received by the mechanics at the garage are signed for by the police department.

### **Recommendation:**

**It is recommended that vehicle maintenance costs be identified in the police budget as a transfer to public works for vehicle maintenance, while distributing the specific expenditure amounts in the line items of the public works budget so that there is more appropriate accountability.**

### **Uniform Maintenance and Replacement**

The captain oversees uniform maintenance and replacement. The officers are issued a complete set of uniforms when they are hired. Each spring, officers are asked to submit a list of uniform items that are in need of replacement. The captain then evaluates the requests and acts on them. The policy for replacement is that the article needing replacement be turned in and a replacement ordered. The city contracts with vendors to supply the uniforms and the vendors come to the department for fitting and delivery of the articles. The contract with the Policemen's Benevolent Association Local 130 (PBA) states:

*"Each employee covered by this agreement shall be furnished, as needed, the standard police uniform including standard badge, gun and ammunition. In addition, the cost of dry cleaning the uniforms (excluding shirts) will be borne by the borough. The employer shall pay for the cost of dry cleaning the shirts of any employee required to wear a shirt which requires dry cleaning for its proper maintenance."*

The cost to provide the required articles of clothing in 1998 for 25 uniformed officers was \$8,884 or \$355 per uniformed officer. Nine non-uniformed officers receive an allowance of \$750 for a total of \$6,750 and the cost for civilian uniformed employees totaled \$2,382 or \$159 per uniformed civilian.

The dry cleaning vendor is selected by price quote. Total dry cleaning for 40 uniformed personnel was \$2,766 in 1998, averaging to \$70 per person annually. Another vendor is used for repairs and alterations when serviceable uniforms are turned in that can be issued to another officer or when repairs are more appropriate than replacement.

The department conducts locker inspections to verify the amount and condition of all department-issued equipment and uniforms twice annually.

**The department is commended for the operation of this program. It could be used as a model for other police departments to emulate.**

## **Administrative Branch**

A lieutenant commands this branch. He is responsible for the detective bureau, training, internal affairs, planning, personnel, press relations and grants.

### **Detective Bureau**

The detective bureau is supervised by a detective sergeant and was staffed with four detectives. One of the detectives was identified as the juvenile officer, whose primary focus was on juvenile cases, although he was also assigned adult cases when the workload demanded. During the review, this detective was temporarily reassigned to the SNU unit to fill a vacancy; thus leaving the bureau understaffed. The department processed 146 juveniles during 1998; 102 of these were arrests.

Workload figures for detectives are very subjective. The type of crime and the solvability factors present are factors the detective sergeant uses to determine if the crime is assigned to a detective for a follow-up investigation. The chief of the department and the detective sergeant determine what effort is directed to case follow-up.

The team surveyed similar departments to compare the number of detectives assigned. We found that, with four detectives, Princeton Borough had 152 crimes per detective. This is the highest of the departments in the comparison group, the lowest being 56 per detective in New Providence and the second highest was 150 in South Orange. When the juvenile detective is returned, the Princeton Borough crimes per detective will drop to 122 which is the median of the comparison departments.

The number of uniformed officers per detective is nine, without the juvenile officer. This is high when compared with Maple Shade, Somers Point and Collingswood, which have six. The high is eleven in South Orange. If the detective who is on temporary assignment is returned, the result will be seven, which is the median of the comparison departments.

	<b>Recommended with Juvenile Detective</b>	<b>Current without Juvenile Detective</b>
Detective Sergeant Adult	1	1
Detective Sergeant Juvenile	1	0
Detective Adult	3	3
Detective Juvenile	0	0
<b>Total Detectives</b>	<b>5</b>	<b>4</b>
Crimes per Detective	122	152
Uniform Officer per Detective	7	9
Population Per Detective	2,374	2,967

### **Recommendation:**

**It is recommended that the detective now assigned to the SNU be returned to the bureau when manpower permits.**

The hours covered in the detective bureau are Monday through Thursday 9:00 a.m. - 5:00 p.m. and 3:00 p.m. - 11:00 p.m.; on Friday and Saturday the late shift works 4:00 p.m. - 12:00 a.m. Two detectives are assigned to each shift. The on-call policy is that the detective sergeant is called and advised of the request and he decides who should be called in. All detectives have pagers but do not take cars home.

**The borough is commended for scheduling the detectives to maximize coverage and reduce overtime.**

The county Special Investigation Unit (SIU) is used for support with narcotics cases. Detectives record statements and turn them over to clerks in the record room for transcription.

The detective sergeant reviews all reports and assigns cases for follow up. This includes the reports submitted by the university. All detectives are trained to process the crime scenes and collect evidence. A problem exists when evidence that has been collected is brought to headquarters for processing. A room had been designated for tests that use chemical processes to enhance fingerprints that are not visible to the naked eye. The room was not equipped with proper ventilation when the building was renovated. These processes, along with common fingerprint dust, should not be used without proper ventilation. The department can purchase a self-ventilating hood that uses filters to avoid building an outside vent. The cost of the unit is about \$6,000. This unit requires frequent filter changes and maintenance which will cost \$1,800 per year. The preferred option would be to vent the hood to the outside at a one time cost of \$3,000 for the hood and \$1,500 for an outside vent pipe. Detectives are now doing this type of work outside in the parking lot or in the sally port, dependent upon the weather.

**Recommendation:**

**It is recommended that a hood with an outside vent be purchased.**

**One-time Value Added Expense: \$4,500**

**Training**

The administrative lieutenant coordinates the training for the entire department. This department is committed to an extensive training effort. During 1998, the department reported 2,962 hours of training by the 34 sworn officers, 4 dispatchers and 2 parking officers. This resulted in an average of 74 hours per department employee. Most training is done during on-duty time, with little overtime expense. In 1998, overtime for training totaled \$822. The department shares the use of a firing range with the township. The department also contracts with National Firearms Training Inc. for the use of a "Firearms Automated Training System" (FATS) program. This program provides the officers with simulated firearms training that consists of shoot/don't shoot scenarios. 1999 is the third year of a five-year contract. The cost of this training was \$1,295. The 1998 training budget was \$12,000.

**Personnel**

The administrative lieutenant is responsible for departmental personnel matters, including maintaining the personnel policy manual, monitoring and managing sick and vacation leave, and administering special programs, such as the physical fitness incentive.

**Sick Leave**

The administrative lieutenant monitors sick absences to determine patterns and possible abuse. The officers enjoy unlimited sick time. The policy of the department is that the officer calling in sick notify his squad sergeant who then calls the department. This policy forces the officer to address the sergeant directly and discourages abuse. The average eight-hour day lost in 1998 per officer was 6.19. LGBR does not usually support liberal sick leave plans; however, this plan works because there is consistent monitoring and policy enforcement, producing a relatively low absenteeism rate.

**Vacation**

The uniform vacation schedule is set to allow one officer off per squad at a time. No more than two sergeants are off at one time. The detective bureau allows one detective, including the detective sergeant, off at a time. The chief and captain never take vacation at the same time and the two lieutenants also work that way. These policies assure appropriate coverage and limit overtime.

**Physical Fitness Testing**

Physical fitness testing is agreed to in the PBA contract. Before the officer engages in these tests the department requires all officers to undergo an annual medical examination. This cost \$9,300 for the 34 officers or an average of \$273 per officer. The contract also provides for a \$200 bonus to each officer that achieves a test score of 90% or better on the two tests held during the calendar year. Twenty-seven officers qualified for this bonus in 1998 costing \$5,400.

**The borough is commended for a proactive physical fitness policy.**

**Internal Affairs**

Complaints are treated aggressively and in accordance with the attorney general's guidelines. The department received and investigated 14 complaints during 1998. These cases are investigated by the officer's supervisor. The lieutenant oversees the process and reports the findings to the chief.

**Grant Reporting**

The department handles six grants, that consume 67 hours a year, to satisfy the reporting requirements.

**Recommendation:**

**It is recommended that the fiscal reporting of these grants be done by the finance department.**

**Productivity Enhancement: \$2,570**

## **Operations Branch**

The lieutenant that commands this branch is responsible for the dispatch center, records, evidence, recovered property and computers.

### **Records Bureau**

Two records clerks staff the records bureau. The hours of operation are 9:00 a.m. - 5:00 p.m., Monday through Friday. The clerks schedule vacations and other days off so there is always one clerk present. If an unexpected absence occurs, the lieutenant can keep the bureau operating. According to Order #G:1-13, they maintain all required reports and files; prepare statistical reports; maintain supplies store media such as DWI tapes; review NCIC printouts, transcribe all interviews and statements for the detective bureau; type fingerprint cards; schedule taxi inspections; sell meter bags; handle handicapped parking permits and conduct citizen surveys.

A problem was mentioned with the quality of the recording equipment used for transcribing interviews by both the detectives and the clerk. It was felt that a better quality recorder was needed. This would result in 50% savings in time required for this job because the clerk currently has to question the detective about the contents of the tape, since the recording is not clear. The clerk types the information into the computer and the detective then can review and either correct or accept the document.

### **Recommendation:**

**Upgrade recorders for transcribing statements and interviews.**

**One-time Value Added Expense: \$200**

**Productivity Enhancement: \$320**

The citizen survey enables the chief to sample the quality of work that the department has done each month. The clerks randomly select 25 cases each month that have resulted in interaction between officers and the public. A form is sent along with a postage paid envelope for the response.

**The borough is commended for implementing this qualitative assessment of the services provided by the police department.**

### **Dispatch Center**

The dispatch center functions as both a dispatch center and a “front desk” for information when the public visits the police department. The department has five civilian dispatchers, one of whom is currently on leave. There is one dispatcher on each patrol squad who works the same hours and days off as the squad. The fifth dispatcher normally works Monday through Friday from 10:00 a.m. - 6:00 p.m. This provides additional support for the non-police telephone calls received during the business day that are directed to borough offices and for assisting the people walking into the department with questions and requests for service. This dispatcher also is used to cover vacations. The current vacancy is being covered by a sworn officer who is near

retirement. This has resulted in a detective being temporarily assigned to uniform duty. The department has tried to employ part time dispatchers to cover vacancies in the past without success. Once they were trained, they left for full time positions elsewhere.

**Recommendation:**

**It is recommended that the borough and township share per diem dispatchers that are now employed in the township to fill in while the day dispatcher is on leave. Reassign officer to patrol/SNU duty.**

**Productivity Enhancement: \$54,847**

**Value Added Expense: \$29,120**

The radio console is new and has two positions that share an NCIC terminal and a MDT unit. The borough police dispatchers dispatch all borough police, fire and EMS calls. Because of a policy of only recording specific police actions, the total number of calls that are handled by this dispatch center is difficult to obtain. Types of calls that are not recorded include, security checks of homes and businesses, traffic stops where no arrest is made, traffic assignments, extra attentions, walking assignments and escorts. These assignments consume patrol time and are valid police actions that should be included when determining the workload of the department. A new CAD system is being purchased. This will give the department the capability of electronically generating department reports. A docket system will allow the passing of information between squads and bureaus. All data collected will be able to be displayed both in report form and graphically. The system will also generate all UCR data. The cost to upgrade is \$25,000 through state contract.

The total number of calls that are handled by this dispatch center is difficult to obtain. All telephone and radio traffic is recorded by a state of the art recording system; however, neither position is equipped with a "call check" recorder. This type of equipment constantly records five or ten minutes of information and allows the dispatcher to instantly replay calls for rechecking information.

**Recommendation:**

**It is recommended that the borough purchase call check recorders.**

**One-time Value Added Expense: \$3,600**

Other issues that should be addressed are adding a TDD telephone that allows for the hearing impaired to call into the department for service and adding caller ID service to the business lines into the department. This capability is built into the 911 system but can be useful on the other lines.

**Recommendations:**

**It is recommended that a TDD telephone be purchased.**

**One-time Value Added Expense: \$600**

**It is recommended that a caller ID be installed on eight non-emergency lines.**

**One-time Value Added Expense: \$720**

The borough and the township share radio frequencies that dispatch fire and EMS. The borough also monitors the State Police Emergency Network (SPEN), the county crime alert channels and the township police radio.

Evidence and recovered property is the responsibility of the operations lieutenant. A detective is assigned to oversee this function. The evidence is logged into a computer and stored. The borough police department follows the procedures established by the division of archives and records management for maintaining and discarding records. During the recent renovation of the municipal building, the police department lost about 50% of evidence storage space. This lack of space will become a problem in the future. Additional space in the form of a storage container is being used to house recovered bicycles. The container is located behind the municipal building. The cost to rent this trailer is \$45 per month (\$540 per year). If the borough is not able to allocate additional storage space within the building, the borough should explore the option of purchasing a storage container instead of continuing to rent one.

### **Tactical Team**

The department is in the process of forming a tactical response team. The capabilities of this team, along with its final structure, had not been determined by either an order or a policy at the time of this review. Common or assumed capabilities would include an entry team, counter sniper and hostage rescue forces. The number of officers required to properly staff such a force would be 10-12 highly trained individuals. The department has begun training and purchasing equipment. The cost of maintaining this type of asset is quite high. The cost to equip the team with weapons, body armor, ballistic helmets and shields, delivery systems for gas agents and distraction devices, uniforms and other items is small when compared to the training time required to maintain the high level of efficiency needed to operate a team in these extremely high risk scenarios. This type of unit must be used to maintain its proficiency. The review team does not see the need for this team in the borough and was not shown a plan to use the team outside the borough. The review team feels a better use of funds would be to increase the training of the entire patrol force in street tactics. This would enable the first officers at a scene to establish an effective response and containment when confronted with high-risk emergencies and stabilize a situation until an emergency response team could be summoned.

### **Recommendation:**

**It is recommended that the department explore the availability of this support from county, state and federal agencies. The increased training suggested for the patrol force can be accomplished by redirecting the current training budget in both time and funds.**

## **Mobile Command Post**

The township, borough and university police departments have worked together to develop a mobile command post. This is based in a used trailer that was purchased by the township. The plans called for gutting the interior and building a command post that can support command and control functions at planned events in the three jurisdictions. It can also be used to support major fires, Haz-mat events, police crime scenes and searches. It will, in addition to the radio and communications capability, have areas for planning and staging emergency personnel and an on board power supply. The projected cost will be \$30,000, which will be split equally by the three departments. A new self-propelled vehicle with this capability generally costs approximately \$70,000.

The three departments are commended for not only developing a low cost alternative but then sharing the cost three ways saving each at least \$60,000.

## **Princeton University Public Safety Department**

The relationship between the university security force and the borough police department works well from the chief's level to the patrol level. The university has 27 sworn officers (unarmed) and 30 security guards plus an additional 30 sworn officers at the Forrestal campus. The sworn officers are PTC (Police Training Commission) certified. All arrests go to the borough or the township for processing and lock up. The crimes that occur are charged to the borough or township UCR numbers. There is a written policy agreement that the university security force takes all reports of minor offenses against property thefts under \$500. The reports are then dropped off at the borough or township headquarters and are then treated as if a borough or township officer had taken them. If the crime warrants follow up, a detective will be assigned to do it. The system appears to work well, and in 1998, 189 reports were taken in this manner. Because of its success, the policy should be revised to increase the threshold for crimes against property and thefts from property where there is no threat present, so that the university is responsible for more of the initial reports. The borough and the university can train officers so that the initial investigation will meet the needs of the borough police department so that follow-up investigations can be done by the borough police department.

## **Recommendation:**

**It is recommended that the borough police department work with the university security to revise the current policy with the goal of increasing the number of reports handled on campus by 50%.**

**Productivity Enhancement: \$1,911**

## **Consolidated Police Department**

Identifying additional functions appropriate for merger/consolidation between Princeton Borough and Princeton Township was one of the goals of the LGBR review. For this reason, after completing individual reviews of each police department, the team developed a proposal for a consolidated police department in order to identify cost and service impacts.

As a result of the analysis, LGBR recommends merging the two police departments. This recommendation is not made lightly and is based on the conclusion that considerable savings can be achieved for both communities while delivering the same or a higher quality of service. The proposed department will have 15 fewer sworn positions and three fewer dispatchers. Savings to be achieved from the staffing changes recommended total \$1,643,565 over and above savings identified in the individual police departments. These savings could be shared based on population served. The borough savings would amount to more than \$706,733.

In 1996, a consultant was retained to study the impact/feasibility of merging several departments including the police department as part of the preparation for the vote on consolidation that was defeated. The LGBR analysis of merging the police departments follows the format of the earlier report in order to highlight the changes that have occurred in the three years since its publication and the impact that the current LGBR recommendations to the separate departments have on the consolidated department.

There is clear legislative authority for consolidation of municipal police departments. Such a consolidation can be accomplished through several mechanisms that are described in Appendix F.

Elected officials expressed concern that a united police department could not respond effectively to two communities. The actual negotiated agreement between the two communities should be used to address any specific service level and control concerns. The configuration could either be through a joint meeting that would have a unified mechanism for control or through one community contracting for police services with the other.

The consolidated police department would result in 15 fewer uniformed officers (see Appendix G for a comparison of the current configuration to the proposed organization). This raises public concern because of what it may mean for police service and because employees of the community will lose their jobs. The plan offered would result in there being as many, if not more, police officers on the street at a given time.

The staff reduction could be accomplished through attrition or layoffs or a combination of the two. Layoff would accomplish the savings within the first year of implementation. If the less drastic and certainly more politically palatable attrition option were chosen, the reduction could be accomplished completely by April 1, 2005 if the eligible officers chose to retire. If the staffing reorganization were implemented effective January 1, 2001, seven officers would be eligible for retirement. Another two officers would be eligible for retirement during 2001, two more could retire in 2003 and six would be eligible to retire by April 1, 2005.

There are grants available from the New Jersey Department of Community Affairs (DCA) to perform feasibility studies for consolidated services. There are also other funding programs available to support a shared service program from DCA called Regional Efficiency Aid Program (REAP) and Regional Efficiency Development Incentive Act (REDI).

## **Background**

The consultant's report prepared as part of the consolidations initiative identified similarities that remain true today. They are:

- similar sized populations;
- overlapping geographic areas; and
- identical guidelines from the attorney general's office and county prosecutor's office.

The level of cooperation between departments is still extensive although some changes have occurred since the 1996 report. The areas of cooperation and their current status are:

1. Sharing Mobile Data Terminal capability allowing communications between department vehicles is no longer possible.
2. The common radio frequency no longer exists but is not needed, as the consolidated department will operate off one of the existing radio systems.
3. Detectives do not meet on a formal monthly basis although they still communicate when needed.
4. The DARE program is still shared.
5. The departments share the same PBA local and many contract provisions are common to both departments.
6. They still enjoy a close relationship with the joint Princeton Fire Department and joint Princeton First Aid Squad.
7. They still share the Firearms Training Range and the contract for Firearms Training Systems (FATS).
8. The patrol squads frequently back each other up on traffic stops or other calls.
9. The chiefs still belong to the same county and state organizations.
10. The departments still operate, as do all departments in the county, under the same county and state guidelines.
11. Both departments have organizational charts that are similar, although the staffing levels have changed since the consultant's report. The recommendations the team has put forward, would have departments with one chief, one captain, two lieutenants, and six sergeants. One department has three detectives and the other has five. Both have 16 patrol officers assigned to patrol squads and three patrol officers assigned to either Traffic/Quality of Life or Safe Neighborhood Unit.
12. One department has 31 sworn officers and the other has 34. One department has five and the other four civilian dispatchers. One department has 3.5 and the other has three support staff.
13. Both have the same minimum staffing requirement for patrol (two).
14. Both departments have similar sized fleets.
15. Both operate bicycle squads, although they do not operate with the same effectiveness.
16. The chiefs do communicate, when required, along with the chief of the university security force.

It is still apparent that the two departments are comparable in size and similar in operation. The borough department is now operating out of a remodeled building and the township department is breaking ground for its new headquarters. The recommended consolidated department could work out of either facility, with some modifications.

### **Staffing Levels**

The consolidated department, while reducing the number of police officers, would deliver the same level service to the communities. The consolidated department would have one chief, one captain and two lieutenants. This would make up the upper echelon of the command staff and the administrative functions. The team feels that the duties of a 30-person or 50-person department require the same number of command personnel. The number of patrol officers to be supervised and their deployment determine the number of first line supervisors (sergeants). See Appendix H for the organization of the consolidated department.

Officer availability is a factor in determining the staffing levels. Subtracting averages for scheduled time off, vacation, personal, sick, compensatory, training, holiday and other time from the total number of hours available results in total hours available per officer.

The average availability per officer per year was 1,663 hours for the borough and 1,619 hours for the township. The difference in these numbers is caused by the high number of hours devoted to training in the township (130 hours per officer in 1998). Allocating 80 hours for training for all officers would have no negative impact and result in an officer availability of 1,670 hours.

Another difference between the two departments that affects the calculation is the consumed time for the calls for service. The township had an actual amount of time based on the information obtained from its Computer Aided Dispatch System (CAD). The actual consumed time for the township was 21.29 minutes per call. The borough CAD system could not generate this number so an average of 43 minutes per call was used. The average of these numbers results in an average consumed time of 32.15 minutes per call. Total calls for service for the combined department would be 26,615.

The team used two methods for evaluating patrol staffing. One is based on the number of calls for service and the other is based on the minimum number of officers the department feels safe deploying for a shift (see Appendix I for the calculations).

The first method multiplies total patrol activities by average consumed time, which is then multiplied by a factor of three to account for preventive patrol, answering calls and administrative time. This number is then divided by average officer availability. Based on this formula the consolidated department would require 26 patrol officers to meet the patrol staffing needs. This is the minimum staffing and does not consider the supervisors on each shift. The team recommends one supervisor per shift.

The second method is based on the number of sworn officers available for road patrol for each squad. Both departments had determined that two officers and a supervisor are needed to safely

and effectively deploy the squad. Thus separately, two officers are the minimum staffing required per department. The minimum staffing for the consolidated department would be four officers.

To calculate the minimum number of patrol officers, the number of officers per day is multiplied by the number of shifts times the number of hours per shift. That number is then multiplied by 365. This number is then divided by officer availability and the result is 21 officers. In addition, the team recommends one supervisor per shift.

Based on the information provided through the two calculations, the staffing level for the patrol function should be 26 patrol officers and four sergeants.

Assigning 26 officers to the four patrol squads is somewhat difficult because the squads cannot have equal numbers of officers assigned. The team recommends that each squad have six officers and that the two remaining officers be assigned to work as needed and primarily on the night shifts to bring those shifts up to strength when there are fewer officers available. The day shifts will have the traffic/SNU units deployed during days and early evening to answer calls if needed.

### **Detective Bureau**

Workload figures for detectives are very subjective. The type of crime and the solvability are factors the detective sergeant uses to determine if the crime is assigned to a detective for a follow up investigation. The chief of the department and the detective sergeant establish parameters for how much effort is directed to case follow up.

Similar departments were surveyed in an effort to determine the typical workload of other departments with comparable demographics. The comparison is based on the crime index numbers published in the Uniform Crime Report (UCR) and the number of detectives assigned in the departments. Dividing the crime index by the number of detectives produces a ratio of crimes per detective reported to the UCR. The team recognizes that detectives are often assigned duties other than crime investigation, such as background investigations for permit applications, employment and fingerprinting. Since all detectives do this to some degree, it does not affect the comparison. With five detectives, (one detective sergeant and four detectives) the borough carried a ratio of 122 crimes per detective. With the recommended three detectives (one detective sergeant and two detectives) the township would have a ratio of 73 crimes per detective. It is recommended that the consolidated detective bureau remain at seven detectives plus a detective sergeant. The detective sergeant can command this and two of the detectives would be dedicated to juvenile investigation. This would result in a ratio of 103 crimes per detective.

### **Special Assignments**

While reviewing both departments the team found that the borough had a very effective Safe Neighborhood Unit (SNU) that consisted of four officers and a sergeant. They handled various “community policing” duties. They used bicycles, patrol cars and walked, depending on the assignment. The township used bicycle officers as a part of its patrol squad, with limited

effectiveness. The team's recommendations for the township allowed the reassignment of personnel to a traffic/quality of life unit that consisted of a sergeant and three officers to address traffic enforcement and quality of life issues, including the "community policing" functions. The team recommends that these units be retained in the consolidated department and scheduled to work covering the day to early evening hours. They can then also be used when needed to support the patrol squads. They can use bicycles, motorcycles, three wheel scooters, cars and foot patrol, depending on the assignment.

### **Dispatch**

During the 1996 report, the dispatchers worked an 8-hour shift and the report recommended the eight dispatchers be retained. Since then, the dispatchers in both departments have changed to 12-hour shifts and are assigned to patrol squads so they work with the same officers all year. This has worked well for both departments. Both departments expressed the need for an additional dispatcher to work Monday through Friday to assist with daytime phone and walk-in traffic. The borough has hired a fifth dispatcher to fill this role. The total number of civilian dispatchers for the two departments is now nine.

The recommendations offered in the reports for each department that would direct calls for directions and event information into an automated system and the use of MDTs will decrease the demands for call taker and dispatcher time. As a result, the recommended staffing is one dispatcher per patrol squad 12 hour shifts and two dispatchers that work 8 hour shifts Monday to Friday to cover the hours of 8:00 a.m. - 4:00 p.m. and 4:00 p.m. - 12 midnight. Thus, a total of six dispatchers is required. One of these dispatchers can be assigned as the supervisor for all dispatchers. Vacation and other scheduled time off can be covered by per diem dispatchers.

### **Support Staff**

Currently one department has one executive assistant acting as the chief's secretary and 2.5 clerks. The other department has a secretary for the chief and two clerks. All of these people are very capable of doing all of the tasks presently assigned and they are cross-trained so they can fill in where needed. This pool of civilians should be retained and used to assume additional duties that are now being performed by sworn officers, such as fingerprinting civilians and preparing cases for court.

### **Other Issues**

**Vehicles:** By merging the two fleets, the number of marked vehicles should remain the same. This will allow for the increased number of officers that could be on duty at one time from the SNU, traffic and patrol squads. The number of unmarked cars can be reduced by two from command and administration.

## POLICE DEPARTMENT VEHICLES

Type	Borough	Township	Combined	Consolidated
Patrol Marked	5	5	10	<b>10</b>
4WD Marked	3	2	5	<b>5</b>
Chief	1	1	2	<b>1</b>
Command/Administration	1	3	4	<b>3</b>
Bureau Unmarked	2	2	4	<b>4</b>
Spare/School Unmarked	1	1	2	<b>2</b>
Motorcycles	0	2	2	<b>2</b>
Three-wheel Scooter	2	0	2	<b>2</b>
<b>Total</b>	<b>15</b>	<b>16</b>	<b>31</b>	<b>29</b>

**Emergency Management:** Emergency management in a consolidated department would eliminate the duplication that now exists and would be more effective in creating better coordinated use of resources to provide prolonged 24 hour coverage during an emergency.

**DARE:** This program would remain as it is now. The only savings would accrue from eliminating one person's administrative tasks.

**Radio Frequencies:** The consolidation would produce a surplus frequency that could be used either in the police department or elsewhere in the town or borough.

**Communications/Dispatch:** Consolidation would eliminate one CAD system, one radio system, one recording system and the related maintenance costs.

**Training and Administration:** The consolidation would have one lieutenant assigned to these tasks and would eliminate duplication.

### Other Expense Savings

**Uniforms:** If the borough quartermaster system is used, a savings of \$465 per township officer will accrue. The consolidated department would have 17 more officers than the borough for uniform savings of \$465 per officer and would have 14 less sworn positions than the combined departments for savings of \$820 per position.

**Cost Savings: \$19,385**

**Vehicles:** If the consolidated department keeps the two excess unmarked cars and uses these cars to defer the purchase of two new cars they would save \$50,000 and reduce maintenance costs by two less vehicles.

**One-time Cost Savings: \$50,000**

**Cost Savings: \$6,030**

**Computers:** Consolidation would eliminate the planned upgrade of the borough Computer Aided Dispatch (CAD) system. Computer maintenance and related expenses would be reduced.

**One-time Cost Savings: \$30,000**

**Recommendation:**

**It is recommended that the borough and township consolidate their police departments.**

**Cost Savings: \$1,643,565**  
**Borough Savings: \$706,733**  
**Township Savings: \$936,832**

**COURT**

While the team recognizes the separate authority and responsibility of the judicial branch of government, the following comments and recommendations have been made in an effort to provide the community with information on current and potential operations, procedures and programs available to the court. Recommendations are made with the knowledge that further review and approval will be required by appropriate judicial personnel.

In 1998, operating expenses for the court were \$298,103 for salary and \$32,305 in other expenses for a total of \$331,408. The court collected \$819,752 in revenues. Of these, the borough retained \$731,049 (89%).

Court sessions are held on Monday morning from 9:30 a.m. – 12:30 p.m. for traffic offenses and on Monday afternoon from 1:30 p.m. – 4:30 p.m. for criminal cases. Prior to renovation of the borough hall, the second court session was held at night. However, the current schedule reduces overtime for both court staff and the police. The court staff compensatory time earned decreased by 71% during 1998 after the court hours were changed. Although it is usually recommended that a court hold at least one evening session for the convenience of its residents, in this particular situation it is believed that the current schedule is satisfactory to all affected. The borough is encouraged to monitor the situation in the event that for some reason the schedule proves unsatisfactory.

In the municipal budget hearing, certain expenses were taken out of the municipal budget and charged to the fund established under the Parking Offenses Adjudication Act (POAA). Seventy-five percent of postage and office supplies that are used for late parking ticket processing were taken out of the borough budget and charged to the POAA. This amounts to \$5,250 for office supplies and \$6,750 for postage.

**Workload**

The court disposed of 43,112 cases in 1998. Of those, 42,213 were traffic related and, of the traffic, 36,898 were for parking. A total of 49,293 cases were added in 1998. The court, therefore, is disposing of 88% of the cases added. Ideally, the court should be disposing of, at least, as many as are added. The explanation of the 12% lag is either low productivity or inadequate staffing. With five full-time positions, the staff disposed of 719 cases per month, per person. Productivity is affected by many factors including, the relative proportions of parking, moving violations and disorderly person (criminal) cases and the training and experience of the

staff. Adjusting for staff turnover and vacancies during 1998, the productivity number increases to 771. In June of 1998, when the office was fully staffed, they disposed of 866 cases per person. Even acknowledging that the high proportion of parking tickets processed may explain the productivity, the operation appears to be very productive.

Parking complaints pending grew by more than 5,000 in 1998 while pending criminal cases decreased by 39. This is a typical phenomenon in a college or resort town with high numbers of parking tickets and out of state offenders. The majority of these cases are eligible for warrant or eligible for dismissal. A close examination of the cases shows that some have a significant number of tickets and fines pending against them.

### **Recommendations:**

**It is recommended that the court dispose of the pending cases by either issuing warrants or through the dismissal process. It is understood that staffing may be an issue. It is expected that these types of actions could be handled once the automated ticketing equipment frees the staff up and the part time position is filled.**

**It is recommended that the court administrator work closely with the police department, which in turn, could work with the university security department to develop a procedure for identifying university personnel – students and staff – with outstanding tickets.**

### **Organization and Staffing**

The court staff consists of a judge, a court administrator, a deputy administrator and three records clerks. A sergeant assigned to the Safe Neighborhoods Unit expedites paperwork and scheduling of officers during the court sessions.

Each person interviewed discussed the benefits of a meeting that is held by the judge as necessary between the key players – the court administrator, the judge, the police department, the prosecutor and the public defender to discuss issues and changes. It serves to resolve issues before they become problems.

The difference in average revenue between the fully staffed months and months with vacancies is approximately \$12,000, versus monthly staff cost of between \$2,000 and \$3,000, demonstrating that the court and the borough gain from having a full staff complement at all times. Both the 1998 and 1999 budgets show a part time vacancy with no funding.

### **Recommendation:**

**It is recommended that the vacant part time position be funded and filled.**

**Value Added Expense: \$13,000 (part-time salary plus benefits)**  
**Revenue Enhancement: \$72,000**

The court is having difficulty retaining staff. One cause may be the salaries paid. One compelling example is that of the records clerk who has been in the court ten years and earns a salary of \$24,457. Records clerks starting in the Princeton Borough court currently earn \$23,552. Within the past year nearby courts with smaller workloads started their records clerks at \$24,500 and \$25,000. A police records clerk who has been with the borough for two years earns \$26,592 and a clerical, with five years experience in the borough clerk's office, earns \$29,210. Looking at the deputy violations clerk responsibilities, it is clear that the position should be tracked with administrative assistant positions, but it is also at the bottom of the scale when compared to other administrative positions within the borough.

During the period of the review, two more vacancies occurred. One person left for a better paying position. The second vacancy occurred because the salary prevented the court from hiring an individual with the skills and dedication required to be successful in the position.

**Recommendation:**

**It is recommended that the court records clerks' salaries and the deputy violations clerk salary be increased to be consistent with the market and similar positions within the borough.**

**Value Added Expense: \$10,000**

**Automated Ticketing**

The borough has been in the process of applying for automated ticketing equipment from the Administrative Office of the Courts since late 1997. The court administrator has estimated that the equipment will save the equivalent of three person days per week since they enter approximately 1,000 parking tickets per week. This productivity gain could be used to either reduce staff or to redirect staff efforts to cleaning up the "eligible for dismissals" or "eligible for warrants." A resolution is what is required from the council, which can be based on existing approved resolutions. AOC is urged to commit to the grant for this equipment as soon as possible. One solution may be for the borough to acquire the equipment with a commitment for reimbursement by the AOC.

**Recommendation:**

**To expedite implementation of automated ticketing, it is recommended that the borough approve a resolution delineating the procedures and information requested by the AOC.**

**Productivity Enhancement: \$16,495**

**Borough/Township Relationship**

The borough and the township share the same judge, public defender and prosecutor. The result is a great deal of flexibility and cooperation between the two courts, i.e., if a borough case must be scheduled for an evening it is scheduled at the township.

The numbers show that a consolidated court would be more cost effective and operate at a reasonable level of productivity for both municipalities. A court with an administrator, two deputies and four violations clerks and cases added totaling 54,458 would decrease the total staff needed by 1.5 and require/allow a productivity of 648 cases per person. The per unit cost of disposing of a case is \$40.82 in the township and \$7.66 in the borough. The new configuration is estimated to cost \$9.61 per unit. The beneficiary of such a consolidation in this instance would be the township more than the borough. The additional \$2.00 per unit cost for the borough reflects the cost to maintain a disposal rate equal to the additions. The potential cost savings to the township would be \$35 per case or more than \$180,000. The cost sharing should be negotiated to assure both communities benefit financially. The arguments against such a consolidation are those that are difficult to quantify relating to the culture and personalities of the two towns. Such a merger would follow logically with the consolidation of the police department.

In a joint court, the judge is appointed by the Governor. Because the two towns currently have the same judge, we do not anticipate there being a problem with reaching agreement on the appointment of a judge for the joint court.

#### **Recommendation:**

**It is recommended that the municipalities consider a consolidated or joint court and that they negotiate a sharing of the financial benefits. One way would be to split savings based on population.**

**Cost Savings: \$93,000 (net)**  
**Borough Savings: \$39,990**  
**Township Savings: \$53,010**

#### **FIRE**

Princeton Township and Princeton Borough operate a joint volunteer fire department comprised of three companies. Engine Company #1 currently has 42 volunteers, Princeton Hook and Ladder has 40 volunteers, and Mercer Engine #3 has 52 volunteers. The three companies are among the oldest in the country, founded in 1795, 1788, and 1845, respectively. This history helps to attract and keep volunteers and also makes it difficult to change this historic configuration.

There are eight apparatus including six pumpers, a ladder and one special services unit. The 1998 expenditure for salaries was \$17,832, (funding firehouse maintenance and providing a stipend for an administrative aide). Other expenditures came to \$184,449. Included in other expenditures were stipends for stand-by pay, head drivers and custodial duties totaling approximately \$19,000. Total expenditures on fire services were \$203,181. The borough's actual total expenditure was \$79,455 (39%) and the township's was \$123,726 (61%). The interlocal services agreement calls for a cost sharing based on total assessed value, which would be 48%/52%.

### **Recommendation:**

**N.J.S.A. 40A:14-34 specifically delineates the financial assistance a municipality can provide to volunteer fire departments. It is not clear that the current financial arrangements are in compliance with that statute and, therefore, it is recommended that the borough and township have this matter reviewed by counsel.**

The team had difficulty verifying the exact number of calls answered and the break down of those calls in terms of type of call and type of response. With each reverification, although the numbers varied in total, the percentages and thus the conclusions did not. To address this issue we used approximate numbers which are not exact but still are useful in identifying issues and potential solutions. This experience indicates a need for a more consistent policy of reporting and recording fire call history in both the township and the borough.

### **Recommendation:**

**It is recommended that both the borough officials and the township officials establish a procedure that is consistent between the township and the borough for reporting and recording fire calls and responses.**

There were an estimated 800 calls of which 28 (4%) were general alarms and 472 (59%) were false alarms. In addition to these calls, the chief estimated that the volunteers attend as many as 150 fire prevention/community relations calls. The ISO rating for the township is six and nine depending on whether an area is within 1,000 feet of a hydrant. The borough ISO rating is five. These ratings are typical for the types of communities with volunteer fire companies.

### **Organization and Staffing**

The organization is lead by a chief, a deputy chief, and an assistant chief. The positions rotate among the three chiefs of the companies so that the leadership is shared equitably among the companies. Each company elects a chief, a captain and two lieutenants. The general control and management of the Princeton Fire Department is the responsibility of the board of engineers, which is comprised of a chief, a deputy chief, an assistant chief, the captains, and the lieutenants of the three companies for a total membership of 12.

The municipal code authorizes 65 members in each company. The reported norm was 50. The actual average was 44. Many of the volunteers are people who work in the Princetons during the day. Consequently, unlike most other municipalities with volunteer fire departments, there is a shortage of volunteers in the evening, as opposed to the daytime.

### **False Alarms**

The township and the borough have alarm ordinances that are very different. In the borough, the ordinance requires registration annually or upon transfer of property; prohibits alarms going directly to the police and fire departments; requires proof that an alarm company has tested the system within 24 hours of the false alarm detailing cause and corrective action taken; requires

notification of the police department when testing or repair is taking place. The fire official is to notify the owner when there have been three false alarms and there is a penalty of between \$100 and \$1,000 for more than six false alarms or for failure to register. In the township, the ordinance requires registration; prohibits alarms going directly to the police or fire department; imposes a \$100 fine for more than three false alarms; and requires the owner to disconnect the system for the remainder of the year after ten false alarms.

#### **Recommendation:**

**It is recommended that the borough and the township develop and enforce a stringent alarm registration and false alarm penalty ordinance that is consistent in both communities. The ordinances should include, an annual registration requirement, the provision the borough currently has requiring proof of inspection and repair, and penalties beginning on the third false alarm and increasing, significantly, with each additional false alarm.**

#### **Response Protocols/Experience**

The constitutions of the fire companies require that members respond to 60% of the general alarms. In 1998, only 28 of an estimated 800 alarms were general alarms. To date, they had no formal response protocols but were in the process of adopting them. A review of 1998 fire call data shows that, of an estimated 472 false alarms, 210 or 44% were responded to with no apparatus and no fire fighters. The lack of response to false alarms needs to be addressed in order to assure a timely response in the event of an actual fire. One explanation is that the fire fighters recognize addresses as places where the alarms are almost always false. One way to deal with this issue is to decrease false alarms through more stringent alarm ordinances (this matter is discussed above). Another way is to assure a response to all fire calls. This can be accomplished by adopting reasonable response protocols and, also, by increasing membership response requirements to 60% of general alarms and 10% of all other calls. This means that each volunteer would be required to respond to a minimum of 94 calls and the requirement would create an average number of fire fighters responding to 16, thus assuring the typical three vehicle, 12 person response. Reducing false alarms would, in turn, reduce the number of responses required of a volunteer fire fighter.

#### **Recommendations:**

**It is recommended that the fire department increase response requirements of volunteers in order to assure a response to all fire calls.**

**It is recommended that the fire department, with the concurrence of the police department, adopt reasonable response protocols for each type of call.**

## **Vehicles**

As mentioned earlier in this report, the fire department maintains and operates eight apparatus including six pumpers, an aerial ladder with pumper, and a special services unit. One pumper, purchased in 1998, has a snozzle which is a sword-like attachment that can break through exteriors and bring water in at 2,000 gpm. This equipment is best used in fires where entrance is not possible, such as aircraft fuselages, tanks and similarly enclosed environments. They can also be helpful in exterior fires but, not any more helpful than normal aerial fire fighting equipment. Its cost was \$480,000. Observation indicates little or no use for this specialized equipment. The borough has committed to a capital plan that calls for purchasing a new truck every three years. Once fully implemented, this plan will lead to the replacement of a truck every 21 years. Four of the apparatus are more than 20 years old. A ladder truck is currently in the specification development stage. Each company chief also has a vehicle purchased through the municipal fire department budget. The chiefs' vehicles are a recycled 1992 Chevrolet Caprice from the police department, a 1990 Ford Bronco, and a 1999 Ford Expedition.

**The borough and township are to be commended for developing a rational apparatus replacement plan that takes into account the life of the equipment and routine replacement.**

### **Recommendations:**

**The borough and township are encouraged to carefully specify the requirements for new apparatus in order to assure that there is competition and, only those specifications absolutely necessary are included. A total of \$600,000 is budgeted for the new ladder truck, including financing. It is expected that if carefully bid, the truck could come in for \$480,000.**

**It is recommended that the purchase of equipment as specialized as the pumper with the snozzle be thoroughly justified, based on the community's size and fire call history. A more typical pumper with a heavy stream appliance, such as a deck gun, would have saved the community between \$80,000 and \$280,000.**

The above discussion assumes that the fire department operates an appropriate number of apparatus. Only 12 calls out of 800 were identified as responded to by more than three trucks. In the past, it was a common practice to relate the number of pumping companies and their capacity and other apparatus and personnel requirements to the population to be protected. Fire department response requirements are now based on the water flow in gallons per minute that may have to be applied and a minimum response configuration for a structure fire established in the National Fire Protection Association (NFPA) standards for a structure fire. For a community such as Princeton, the NFPA standards would call for the minimum response for a structural fire of two pumpers and a ladder.

### **Recommendation:**

**Based on current nationally accepted protocols and the response history of the department, the team recommends that the fleet be cut by two pumpers for a total of four pumpers, a ladder and a special services unit.**

**Cost Savings: \$65,000**  
**Borough Savings: \$31,200**  
**Township Savings: \$33,800**  
**One-time Revenue: \$400,000**  
**Borough Revenue: \$192,000**  
**Township Revenue: \$208,000**

### **Equipment Maintenance**

Basic maintenance is the responsibility of the head driver. An independent contractor performs preventive maintenance. A total of \$26,992 was paid for vehicle maintenance, supplies and head driver stipends. Head drivers are responsible for routine maintenance of the apparatus. Total 1998 maintenance averaged \$3,374 per vehicle.

### **Recommendation:**

**It is recommended that the fire department's vehicle maintenance operations be consolidated, thereby, reducing per vehicle expenses to \$2,700, to produce a cost savings of \$5,392.**

**Cost Savings: \$5,392**  
**Borough Cost Savings: \$2,804**  
**Township Cost Savings: \$2,588**

### **Training**

The by-laws of each company establish training requirements. Princeton Engine Company #1 and Mercer Engine Company #3 each hold 24 drills and require that members participate in 50% of them. The Princeton Hook and Ladder Company holds 36 drills and requires members to participate in 60% of them. In addition, the chief, deputy chief and assistant chief hold six department wide drills annually. The difference in requirements is attributable to the greater complexity of ladder truck operations and procedures. The borough administrative offices maintain copies of all certifications and an officer is designated to maintain drill and training records.

### **Safety**

A safety officer is appointed and serves, basically, as long as desired, since the position does require additional training. In addition, the borough is compliant with 95% of the suggestions in National Fire Protection Association Regulation 1500. This year a Personal Accountability Safety System (PASS) will be obtained and implemented.

**Recommendation:**

**It is recommended that the safety officer attend all borough and township safety committee meetings.**

**Standard Operating Procedures (SOPs)/Rules and Regulations**

The department has a set of both SOPs and rules and regulations, which are reviewed and updated by the board of engineers, as needed. They are currently formulating response protocols that are integral to a uniform and consistent response to fire calls.

**Mutual Aid**

The three chiefs participate in the Mercer County Fire Chiefs Association's monthly meetings and participate in the Mercer County box plans that delineate a series of responses for the various fire scenarios. This is reviewed and updated annually by the county fire chiefs to reflect changes in equipment and to improve deployment to assure maximum coverage.

**Facilities**

Each fire company operates a fire station -- two owned by the borough and one owned by the township. The three fire stations are within 1.6 miles of each other. Princeton Hook and Ladder's station was built in 1957 and has three bays; Engine Company #1 has 2.5 bays and was built in 1965, and Mercer Engine Company #3 has four bays and was built in 1992. The borough's fire stations are valued at \$851,100 and \$420,200 and the township station is valued at \$885,600. When the newest station was built the old station was bought by a bank and now functions as a viable commercial property. Response time is affected more by the arrival of volunteers than the location of the station and, currently, is six minutes. With fewer vehicles and the proximity of the three fire stations to each other, it would be possible to close one of the stations.

**Recommendation:**

**It is recommended that the borough close one station and have the two fire companies share the larger facility.**

**One-time Revenue Enhancement: \$420,200**

**Annual Revenue Enhancement: \$9,328**

**PRINCETON FIRST AID AND RESCUE SQUAD**

The Princeton First Aid and Rescue Squad was incorporated separately from the fire department in March, 1940. In 1976, when many organizations were being taken over by municipalities, the squad remained a separate, nonprofit agency. Although not a municipal entity and, therefore, not required to participate, the squad did participate and cooperate fully in the review. The squad is a 501c(3) nonprofit agency serving Princeton Borough and Princeton Township. It is registered

as a volunteer charitable organization with the state. The squad responded to 1,823 calls in 1998. The typical response time was 3-4 minutes, with a range of immediate to 15 minutes depending on the circumstances and distance.

## **Organization and Staffing**

The current roster shows 64 volunteers. The constitution requires that members attend one third of the monthly meetings and half of the twelve drills held annually. In addition, each member sleeps in once every other week, four per night, and is required to find a replacement of equal or higher status if he/she cannot be there. Two paid EMTs, who are part of the squad, cover weekdays. One works 8:00 a.m. - 4:00 p.m. and the second works 9:30 a.m. - 5:30 p.m. The squad also hires additional per diems for weekends and other times when volunteers are not available.

## **Financial**

The total operating budget for 1998 was \$302,766, including the nonprofit budget and the day crew budget. Princeton Borough and Princeton Township provided \$39,724 and \$84,412, respectively, to the squad for support of a paid two-person day crew for a total of \$124,136. The contribution made by each entity is proportional to the ratable base. In 1999, the agency anticipated as much as \$171,500 in outside contributions and yet estimated an operating deficit of \$7,130. LGBR is supportive of the community values represented by involved, active volunteer organizations and the Princeton First Aid and Rescue Squad is such an organization. There are, however, several issues that need to be addressed and may pose arguments for a different service delivery configuration.

The total unit cost per call is \$166.08 and the taxpayer portion is \$68.02. One comparable volunteer squad operated with no paid employees at a cost of \$56.55 per call. The per call costs of two other city-based, paid organizations was \$45.00 net of collected reimbursements.

N.J.S.A. 40:5-2 states that a municipality may make a contribution to a volunteer first aid organization of up to \$35,000 or up to \$70,000 if a need is demonstrated and the CFO is provided with an audit performed by a CPA/Registered Municipal Accountant (RMA). Additional monies may be expended to purchase vehicles and equipment titled to the municipality. Although in total, the contributions do not exceed the statutory requirements, Princeton Township's contribution exceeds the \$70,000 limit. If there is a legal problem with the level of support, it can be addressed in one of several ways. First, by paying for the service based on residents' use, which is estimated to be closer to 50/50 rather than the ratables 1/3-2/3 split. Second, the paid EMTs could be put on the payroll of one of the two municipalities. The team currently estimates that this would not increase the cost of the employees, however, it could negatively impact future costs or it could negatively impact the organization's fund raising ability. Third, the township contribution could be capped at \$70,000 and a variation on this alternative would be for the borough to provide for the difference.

## **Recommendation:**

**It is recommended that the borough review, with its attorney and auditor, the requirements of N.J.S.A. 40:5-2 regarding limits to supporting the operations of volunteer rescue squads to assure that the municipalities are in compliance with the law.**

## **Competitive Contracting**

A solution to all of the issues outlined above could be competitively contracting for the services currently provided by the day crew and the per diems. This has been successfully implemented elsewhere, most recently in Franklin Township, Somerset County. The contracting agency could bill under its existing certifications for the calls it responds to and the team is aware of at least one vendor who has done this successfully without harming the stability of volunteer organizations. In Princeton's particular circumstance, there is a likelihood that, while addressing the issues outlined above, the municipalities would save the total cost of the day crews or \$124,136. In addition, the volunteer organization would save the cost of the daytime use of the ambulances as well as the costs related to liability for the period covered by the contractor.

## **Recommendations:**

**It is recommended that the Princeton First Aid and Rescue Squad consider contracting with a private vendor to perform the functions currently being performed by the day crew and per diem workers.**

**Cost Savings: \$124,136  
Borough Savings: \$39,724  
Township Savings: \$84,412**

**The municipalities could support the contracting initiative by making up the difference of any loss in revenue from private sources, up to that amount currently used to support the agency, within the constraints of current law.**

**It is recommended that the squad and the municipalities explore volunteer incentive initiatives in order to bolster the volunteer component of the squad and limit the reliance on paid staff.**

## **Equipment**

The squad operates three ambulances, a heavy rescue vehicle, a zodiac boat and a utility truck. The cost for repairs and maintenance is \$13,000. Reducing the fleet by one ambulance would reduce annual maintenance costs by \$1,000 and reduce capital investment costs by an estimated \$12,000 annually. Two other communities identified, with populations in excess of 50,000, operate successfully with two ambulances in service, with reserves available from the vendor. A review of the 1998-call history shows that there were 79 (4%) instances when two ambulances were required and 22 (1%) instances when three or more were required. It is the team's belief that the squad could operate effectively with a two ambulance configuration and somewhat more reliance on mutual aid.

**Recommendation:**

**It is recommended that the squad evaluate the need to operate three ambulances. Reducing the complement to two would decrease the need for additional space.**

**Cost Savings: \$13,000**  
**Borough Savings: \$4,160**  
**Township Savings: \$8,840**

**If the above recommendations are not implemented satisfactorily, it may be time for the squad to consider operating as a paid nonprofit that collects reimbursements.**

**ENGINEERING**

The Princeton Borough Engineering Department consists of five divisions. The department head is the engineer/construction official who has overall responsibility for:

- Engineering Division
  - Contract compliance for Sanitation and Recycling
  - Affordable Housing
- Bureau of Fire Safety and Housing Inspections
- Office of the Construction Official
- Planning and Zoning
- Public Works
  - Buildings and Grounds
  - Parking Operations

**Public Works**

Public Works is responsible for:

- roads;
- shade trees;
- street sweeping;
- building maintenance;
- vehicle maintenance;
- grounds and parks;
- vegetative waste/compost site;
- parking; and
- custodial.

In 1998, the public works operation, including the parking and building and grounds functions, expended \$997,355 for salaries and benefits, \$122,823 for overtime and a combined other expense of \$250,440. Approximately \$35,000 of the overtime was a one-time occurrence due to

the renovation and moving of offices in the municipal complex. In addition, \$42,350 is attributable to the parking operation and was primarily the result of a staff shortage. Total general overtime was \$45,473 or 5% of the salary and wage budget.

### **Organization and Staffing**

The DPW has 23 employees including one superintendent, two foremen, two mechanics, two tree specialists, three equipment operators, eight general maintenance personnel, one building maintenance employee, one custodian and three parking maintenance personnel. The CWA union represents the employees. As in any small department, employees have multiple responsibilities. This operation is vast in scope yet small in scale. This results in the under use of equipment. This less than efficient scale of operations is mitigated to some extent by the formal and informal cooperation that exists between Princeton Borough, Princeton Township and Lawrence Township. Notable cooperative efforts include joint operation of the compost site, cooperation in street paving and the easy borrowing of equipment.

### **Recommendation:**

**In the continuing effort to economize, the municipality should look to expand cooperative efforts beyond those communities it is currently cooperating with, particularly, if it increases the scale of an operation.**

### **Facility**

The municipal garage is located in a residential area on Harrison Street. (In Princeton Borough, any location would be in an active commercial or residential area.) Alternatives have been entertained for years. This facility is both operations center and maintenance garage. All available exterior space is used to store 23 of the 27 vehicles operated by public works and smaller equipment is stored indoors. Space is at a premium both inside and outside. There have been complaints from the neighbors about the noise and traffic created by the location of this facility.

### **Workload**

The team had difficulty assessing workload because the records maintained did not contain enough detail. The existing records do not attribute the time spent to the work accomplished. However, calculations of cost per unit could be made for those areas where employees were engaged in the same activity year round or for a definitive period of time and the end product was measurable.

### **Recommendations:**

**It is recommended that the DPW develop a comprehensive record keeping system that tracks all major categories of work and the staff hours and equipment required to complete tasks. The cost effectiveness could then be more accurately calculated to determine the most efficient method for accomplishing each task.**

**It is recommended that the municipality invest in state of the art software and hardware in order to track unit cost in all areas of public works.**

**One-time Value Added Expense: \$4,500**

The team was able to quantify the following categories of work with the available information.

### **Custodial**

The municipal complex consists of approximately 26,500 square feet. The salary and benefit expense for the custodial function is \$45,353, plus overtime of \$4,685. The service cost to the municipality is \$1.89 per square foot. This service is available in the marketplace for \$.80 to \$1.00 per square foot.

### **Recommendation:**

**It is recommended that the municipality competitively contract for this service. One avenue to explore is contracting in conjunction with the school district and the township in order to make the contract more attractive to vendors.**

**Cost Savings: \$23,585 - \$28,885**

### **Street Sweeping**

The street sweeping operation functions year round, weather permitting. Twenty miles of municipal road and four miles of parking lot surfaces are swept in the borough weekly, and another mile is swept daily in the business district. Twenty-nine miles per week for 40 weeks of operation totals 1,160 miles annually. The salary and benefit expense for this operation is \$36,183 and other expenses for equipment and debt service is \$17,000, brushes for the sweeper cost \$1,250 and vehicle maintenance cost \$2,725. The cost per road mile is \$49.27. Similar municipalities provide this service for \$47.00 or less per mile.

### **The Compost Site**

The salary and benefit cost for this operation are: one mechanic working approximately 260 hours per year costing \$7,090, one equipment operator working 246 days per year costing \$44,814, one additional employee working for 104 days per year costing \$15,866 and a fourth employee working for 43 days per year costing \$6,560. Equipment, capital, debt service and maintenance cost for one loader is approximately \$12,200 annually. Other support for this operation could not be calculated due to the lack of adequate documentation. Therefore, the total quantifiable in kind support provided by the borough is \$89,050. In 1998, the borough and its residents disposed of approximately 15,000 cubic yards of vegetative debris at the compost site, with 13,500 cubic yards delivered by the municipality and 1,500 cubic yards being delivered by residents. This resulted in a disposal cost of \$5.94 per cubic yard.

### **Brush Collection**

Brush collection is a year round operation involving two employees and one vehicle. In 1998, this function had a salary and benefit expense of \$79,331 and a vehicle, debt service and

maintenance expense of \$11,500. There were approximately 6,000 cubic yards of brush deposited at the joint compost site in Lawrenceville. The unit cost was approximately \$17.05 per cubic yard.

### **Leaf Collection**

In 1998, the primary leaf collection involved six employees and four vehicles from October 12 until December 31. The salary and benefit cost for this function was \$53,091 and equipment, debt service and vehicle maintenance were approximately \$18,400. There were 7,500 cubic yards of leaves deposited at the compost site. The unit cost was approximately \$9.53 per cubic yard.

### **Vehicles**

There are 27 vehicles or pieces of specialized equipment operated by this organization of 23 employees.

<b>Type of Equipment</b>	<b>Number of Units</b>
Passenger Utility Vehicles	2 Jeeps & Blazers
Utility Pick Up Trucks	2 Utility Body Trucks
Pick Up Trucks	6 Pick Ups
Dump Trucks	7 One Light, Six Heavy Dumps
Lift, Dig, Cut & Load Machines	4 Back Hoes & Loaders
Single Purpose Specialized Equipment	6 One Each: Sweeper, Jet Vac, Tree Bucket, Compactor, Spreader and Pressure Washer Vehicles

It is common for small-scale operations to require various types of equipment that are not used on a continuous basis. An analysis of the vehicle and equipment needs of this operation indicate that there would be no negative effect on the operation if the department were to reduce the fleet by one dump truck and two pick up trucks. This would save the insurance and maintenance cost of these vehicles and generate a one time revenue from the sale of the oldest vehicles.

### **Recommendation:**

**Reduce the fleet by one dump truck and two pick up trucks.**

**Cost Savings: \$8,175**

**One-time Revenue Enhancement: \$6,000**

### **Vehicle Maintenance**

Public works mechanics repair all municipal vehicles including police and administrative department vehicles at the facility on Harrison Street. This building has two maintenance bays. Two employees, the mechanic supervisor and a mechanic staff this function. Vehicles are well-maintained, preventive maintenance is performed on schedule and the maintenance availability is good. The operation is unable to produce the types of comprehensive reports needed for analysis of the fleet. The salary and benefit cost for maintenance of this fleet is \$102,193, plus overtime of \$9,356, for a total salary and benefit cost of \$111,558. Other expenses including parts, extended warranties and marketplace repairs are \$62,883. The average cost to maintain the

borough's vehicles is \$2,726 per vehicle. This cost is within the average marketplace cost per vehicle, however, the lower usage of these vehicles, due to the small scale and extensive equipment, should reduce the maintenance costs.

A joint operation for vehicle maintenance for the township, the joint sewer operation and the joint fire department could be built at the River Road site, which is already owned by the borough. Since this facility does not need to store these vehicles the size can be tailored to the repair needs of the organizations. The advantage of this configuration is that it would expand the scale of operation for all participants to more than 150 vehicles, a scale that is more efficient to manage. Secondly, this would free up space and reduce traffic at both the borough public works and the Township Tiger facilities that are currently overcrowded and generate complaints from residents in the area.

#### **Recommendation:**

**It is recommended that the municipality consider a joint operation for vehicle maintenance with the township, the joint sewer operation and the joint fire department.**

#### **Safety**

Safety meetings are held on a regular basis. Safety equipment is provided and policy requires that it be used while working. CDL licenses are checked and verified by the police department every three months.

#### **Combined Operation**

The Princetons have studied combining various operations for years. The team estimates that the yearly savings in a combined public works operation would be \$141,000 for salary and benefits. This would reduce the combined organization by one superintendent and one foreman, leaving one superintendent and three foremen. This represents 8.4% of the combined salary and benefits expended by the municipalities in 1998. Additionally, \$17,500 would be saved in reduced equipment needs. Other expenses would not change significantly. An advantage of consolidating operations would be further coordination of activities affecting contiguous facilities and infrastructure. Consolidating public works operations has not been accomplished, primarily, because it is a service that can significantly affect the quality of life and the public's perception of the government therefore it has to date been politically infeasible.

#### **Recommendation:**

**It is recommended that the the public works functions of the two communities be combined. Total savings would be \$158,500. The borough's share of savings would be between \$52,833 and \$79,250 depending on how the costs are shared.**

**Cost Savings: \$158,500**  
**Borough Savings: \$52,833 - \$79,250**  
**Township Savings: \$105,667 - \$79,250**

## **Parking**

The parking meter function has been temporarily housed at fire station #3 on Witherspoon Street in Princeton Township. When the superintendent of parking retired in 1998, this operation was placed under the supervisory control of the public works department. The tasks of this entity are to make collections, maintain and replace the 1,265 parking meters and staff the parking lot. One employee performs meter maintenance. There are approximately four to six meters per week brought to the shop for repair and another 60 to 70 per week are repaired in place. This unit is required to staff the parking booth in the parking lot adjacent to the library containing 180 parking spaces for six days per week.

In 1998, the municipality collected \$1,212,147 in parking revenue and expended \$253,969 for salaries, benefits and overtime; \$8,397 for meters and parts; and approximately \$12,000 for maintenance and debt service for two vans and a three wheel vehicle. Within the stated salary costs were expenses for additional support costing an estimated \$56,667 due to staff vacancies.

With this much extra support, 75% at an overtime rate, savings could be achieved by hiring one and a half additional staff members. In 1999, the borough added one and a half personnel to the staff providing 3,120 hours of extra support and costing only \$44,000. It is expected that the extra staffing will remove the need for any more additional support.

**The borough is commended for merging the parking operation into the public works department and saving approximately \$26,500.**

**The borough is commended for hiring one and one-half additional staff for the parking meter function and saving approximately \$12,667.**

As a fully developed municipality with a stable tax base, Princeton must diversify its revenue base. Because the borough has a very active commercial district, an appropriate source of additional revenue is parking. In 1998, the borough raised all of its parking meter fees. The busiest meters were raised from 60 cents an hour to 75 cents an hour. This revenue source is appropriate because nonresident visitors drive a significant proportion of service delivery costs and they are the ones who will generally pay the additional amounts. There are several additional revenue enhancing actions that can and should be considered such as, lengthening the meter operation hours, replacing meters with the sensed meters that revert to zero when a car pulls away from the space and placing advertisements on meters.

## **Recommendations:**

**It is recommended that the borough change the metered parking to \$1.00 per hour. It is also recommended that the meters be changed to quarters only at \$.25 per 15 minutes.**

**Revenue Enhancement: \$360,000**

**It is recommended that, at minimum, the hours for meters on Nassau Street be extended to 10:00 p.m. If just 200 meters were extended the borough would realize more than \$125,000 in new revenue.**

**Revenue Enhancement: \$125,000**

**It is recommended that meters be replaced with sensed meters. This equipment has realized a 30% increase in revenues.**

**Revenue Enhancement: \$50,000 - \$400,000**

**It is recommended that the borough pursue advertisements on the parking meters as a source of additional revenue. This can be handled entirely by an advertising company and result in fees of \$6.00 per month per meter. If just 200 meters held advertisements the revenue would be \$14,400.**

**Revenue Enhancement: \$14,400 – \$80,000**

The parking lot requires staffing for 312 days per year at a cost of \$74,800 for salary and benefits. To meter this lot would cost approximately \$140,000. The metering of this lot would be paid for in cost savings realized over the first two years and result in a \$74,800 cost saving in the third year. In 1998 this lot generated more than \$333,000 in revenue.

#### **Recommendation:**

**It is recommended that the parking lot adjacent to the library be converted to meters. Based on current percentage of overtime summonses, another \$60,000 could be realized.**

**One-time Value Added Expense: \$140,000**

**Cost Savings: \$74,800**

**Revenue Enhancement: \$60,000**

#### **Construction Office**

The construction office is staffed by a full-time building/fire subcode official, a full-time control person, a part-time technical assistant, a part-time plumbing inspector and a part-time electrical inspector. The control person is the primary contact with the public and works 35 hours per week to assist the public with the application and permit process.

#### **Financial**

In 1998, \$258,800 in fees was anticipated and \$417,189 was realized. The increase was the result of increased renovation activity in the business district and extensive construction activity at Princeton University.

In 1998 the construction function expended \$178,934 for salary and wages, \$43,324 for fringe benefits, \$4,955 for other expenses and \$27,266 for indirect expenses. The total expense of \$254,479 is \$162,710 less than total revenue.

Periodically, the borough does a comparative analysis of fees in surrounding communities to determine whether the local fees need adjustment. The most recent update to the schedule took effect on May 5, 1998.

## Workload

In 1998, the construction code office issued 997 permits and performed 4,052 inspections. In reviewing the UCC workload, the team obtained the 1997 and 1998 Department of Community Affairs staffing analysis for reported permit activity of the borough's construction code staff. The following table, based on the 1998 report only, indicated that this department is understaffed. The recent increased activity is deemed to be temporary and unsustainable. The office is adequately staffed for normal activity and generates revenues that cover all expenses except in extenuating circumstances such as lawsuits.

Uniform Construction Code Annual Permits			
Type of Permit	Number of Permits	Inspections Per Permit	Total Inspections
New Construction	65	10	650
Major Alterations	179	7	1,253
Special Projects	--	--	1,000
Demolition	39	2	78
Minor Work	714	1.5	1,071
<b>Totals</b>	<b>997</b>	<b>20.5</b>	<b>4,052</b>

Uniform Construction Code Staffing Summary				
Position	Actual Hours Worked	DCA Staffing Analysis Total	DCA Plan Review	DCA Inspections
Construction Code Official	10	24	--	--
Building Subcode	35	60	18	42
Electrical Subcode	15	22	4	18
Fire Subcode	17.5	14	7	7
Plumbing Subcode	10	22	4	18
Office/Control	35	71	--	--

## Engineering DIVISION

The municipal engineer, two assistant engineers, two engineering aids, an administrative assistant and one part-time clerk staff this function. In 1998, the salary and benefit cost for this function was \$446,457 with additional overtime of \$11,930 and \$37,668 for other expenses, totaling \$496,055.

The department completed approximately 750 plan reviews for all sub-codes; planned, oversaw and inspected all in-house construction to include 6,975 linear feet of road reconstruction in 1997 and 1998; issued 74 street opening permits and provided engineering and project management services for projects valued at \$6,450,000. Additionally, the department coordinated recycling, oversaw tree planting operations, printed and modified all maps and plans on the auto-cad system and oversaw the renovation of the municipal complex.

The municipality enforces a moratorium on digging up recently resurfaced streets. Six to twelve months before a street is scheduled to be resurfaced all entities having underground

infrastructure are notified of the intention to resurface and are encouraged to ascertain the condition of their underground structures. In most instances, underground repairs are made and the resurfacing is done. In some instances, this results in a negotiated postponement of the resurfacing until underground repairs are completed.

### **Affordable Housing**

The Borough of Princeton demonstrated a commitment to maintaining and protecting the diversity of its housing stock and, thus, the diversity of its population even before it became mandated under the Council On Affordable Housing (COAH) regulations in the mid-1980's as the result of the Mount Laurel decisions. At that time, the borough participated in the Department of Community Affairs (DCA) Neighborhood Preservation Program, channeling grants of between \$1,000 and \$6,000 to approximately 12 homes per year. In 1984, Elm Court was completed, providing 88 low-income units for senior citizens.

Princeton Borough sought determination of its affordable housing requirements through the courts, through what is called a judgment of repose. Since 1983, the borough has seen a few versions of the judgment of repose determining how affordable housing will be provided, consistent with the COAH guidelines. In the most recent judgment they received credit for the 88 senior housing units; received an adjustment because there is virtually no vacant land; and the borough is responsible for providing rehabilitation or replacement of 37 substandard low income occupied units. At the time of the last revision it was agreed that twelve new units have already been built and, therefore, 25 more units are required to be rehabilitated or replaced by October of 2002. The borough continues to be aggressive and committed to affordable housing initiatives that will exceed the mandates of the judgment of repose.

### **Administrative Expenses and Support**

There is one staff person in the office of engineering that serves as the coordinator for the affordable housing program. In 1998, 25% of her salary was charged to the program. However, at least 75% of her time is spent on this function and in 1999, 75% of her salary is charged to affordable housing. The salary and benefit costs attributable to this function are \$45,283. Other expenses are \$11,026, capital expenses are \$281,083, for total annual costs of \$337,332.

In 1998, the actual expenditures were 34% of the capital budgeted amount and 19% of the operations budgeted amount. This same pattern occurred in 1997. This indicates that particular objectives were established and not accomplished during 1997 and 1998.

### **Governance**

The affordable housing board was created by ordinance in 1987. It was charged with monitoring the borough's compliance in providing housing for low and moderate income families under its Mt. Laurel II obligation. The board consists of seven members appointed by the mayor and approved by the council with at least two members representing the relevant neighborhoods and at least two representing minority racial or ethnic groups. Two borough council members are liaison members with no voting rights and the mayor and the housing coordinator serve as ex-officio members.

The board is responsible for establishing and complying with the regulations relating to the sale, resale and rental of units and for certifying eligibility and processing applications and establishing waiting lists.

A nonprofit corporation, The Princeton Borough Nonprofit Housing and Redevelopment Corporation, was incorporated in 1987. Its stated purpose is to provide assistance, advice and consultation in the formulation and implementation of housing rehabilitation and redevelopment plans for low and moderate income housing in Princeton Borough. This assistance is provided to government entities and other nonprofits and includes acquiring, disposing of, developing, rehabilitating, managing and/or operating low and moderate-income housing. This unit was formed to enable the purchase and resale of the developed properties.

The result is that the board, the nonprofit and the council address affordable housing issues. As fiscal constraints become more pronounced and, as the direction of the council has changed somewhat, the direction taken by each organization is not necessarily consistent and has led to some changes in direction and some delays, as reflected in the difference between budgeted and expended amounts outlined above.

#### **Recommendation:**

**It is recommended that the borough council carefully examine its relationship with the housing board and the nonprofit and clearly state the mission of the affordable housing function in the borough and define a decision making process that includes input from the board and the nonprofit and also recognizes that the council members are the officials elected to represent the residents. This should unify goals and reduce delays in executing plans.**

#### **Affordable Housing Trust Fund**

The affordable housing trust fund was established in 1985 to collect revenues to be used for the creation and preservation of affordable housing. The ordinance also gives the borough the authority to determine what funds are contributed to the trust fund. Four recurring sources of revenue have been established: Elm Court Land Lease \$8,000; Elm Court Pilot \$53,000; Housing Authority Pilot \$23,082; and Chambers Street Land Lease \$85,200. Total actual revenue from these sources was \$171,834 in 1998. These revenues may be used to defray the costs of the affordable housing operation in Princeton Borough. The affordable housing trust fund balance at the end of 1998 was \$274,173. In addition to the recurring revenues, nonrecurring revenues of \$102,340 from grants, sales and other sources were contributed to the fund in 1998.

#### **Affordable Housing Overlay Zone**

The affordable housing overlay zone provides a mechanism for the borough to promote affordable housing development within new housing developments. It requires that any new application for residential development encompassing five or more units provide a 20% set-aside for affordable housing or make a cash payment in lieu of the set-aside. To date, no affordable

housing or revenues have been realized through this mechanism. In the event there are applicable developments, this mechanism would provide a cost-effective means of supporting affordable housing.

### **Development Fees**

In 1995, the borough enacted a development fee ordinance to generate funds for housing rehabilitation. The fee for new construction is set at .5% of equalized assessed valuation for residential and 1% for commercial. When the fund was established it was estimated that it would generate approximately \$72,000 annually. The 1998 receipts were \$123,840. The development fee balance at the end of 1998 was \$232,038.

### **Phase I New Construction**

As the result of the first order of repose, Princeton planned to build 68 new housing units on four sites and half of the units would be for low and moderate income residents of the region. During phase one, 11 low income and 13 middle income units were completed at the John/Clay and Hamilton sites. The total cost including land acquisition was \$2,093,089. In addition, \$72,000 was received from DCA to reduce the cost of the low-income units. It took more than a year to sell all the units. The weak real estate market when they were built contributed to the time it took to sell the units. Net loss on this project is estimated to have averaged to more than \$40,000 per unit. This loss can be looked at as the subsidy for maintaining affordable housing in the borough during that period. The borough repurchased one unit, 94 Clay Street in order to retain it as affordable housing. Attempts have been made to market it to no avail. The borough has held it for two years and bought and held it for a total cost of \$59,640. The maximum sale price on the unit is \$68,000.

### **Phase II New Construction**

The council has contracted with a developer to construct 12 units on the McLean and Shirley Court sites that were purchased at the same time as the phase I sites. Of the twelve units, three on each site will be affordable. They will be two and three bedroom models. Total development costs including site acquisition are estimated to be \$2,664,362 for an average per unit development cost of \$222,030. Revenues from unit sales are estimated to be \$1,411,212. The low income average sales price is \$75,192 and the moderate income average sales price is \$133,667 at a \$146,936 subsidy for low income (67%) and a \$88,363 (40%) subsidy for moderate income. The median home value of a single family home in Princeton Borough according to the 1990 census was \$286,400. These units will be in excess of the fair share requirement that the borough must meet by 2002.

### **Rehabilitation**

In 1996, as part of a revision to the borough's judgment of repose, the borough adopted an ordinance establishing a rehabilitation program to be funded through developer fees. The program allows for loans of between \$10,000 and \$15,000 for owner occupied improvements. The loans are repaid upon sale or are forgiven if the owner remains in the home for the full term of the loan as dictated by affordability controls. Rehabilitation is either for owner occupied housing or for rental rehabilitation. Thirty-three units have been rehabilitated through this program for a total expenditure of \$822,114 (a detailed description of the projects is contained in Appendix J).

## **Marketing**

\$18,000 has been allocated for marketing the new units of phase II at McLean and Shirley Court. The borough is in the process of selecting a marketing consultant. The borough currently owns a total of eight properties, three are rented, four are vacant in order to be rehabilitated, and one is vacant awaiting resale. The borough is encouraged to move the application and marketing process quickly in order to dispose of its current inventory and to limit the time that completed units are vacant.

## **Recommendation:**

**It is recommended that the borough use the current marketing opportunity to develop an ongoing list of eligible applicants in order to assure the quickest possible turnover of units. This, in turn, will reduce the costs borne by the borough in developing affordable housing.**

## **Affordability Controls**

The borough has established affordability controls for each type of affordable housing program. The controls are appropriate to the money invested by the borough, but also are more stringent than COAH minimums would require as the result of the borough's commitment to preserving the diversity and balance within the community.

## **Conclusion**

Princeton Borough has undertaken an affordable housing program that goes beyond the requirements of the state. While this is the prerogative of the local government, the team believes that some adjustments in approach will enable the community to reduce costs related to affordable housing production while maintaining its commitment to diversity and affordability.

## **Recommendations:**

**It is recommended that the borough implement an ongoing, aggressive marketing strategy that includes public education about rehabilitation opportunities and maintenance of an active list of eligible applicants.**

**It is recommended that the borough more aggressively pursue rehabilitation efforts. These are clearly more cost effective and serve to assist current residents directly.**

**It is recommended that the borough continue to work closely with low-income housing providers to maximize resources in the production of certifiable renovations.**

## **Sanitation**

In 1998, the municipality contracted with the private sector for residential garbage collection services. The contract costs \$467,500 to serve the 3,514 residences in the borough. This is \$133.04 per household per year and is reasonable in comparison to public sector and private vendor costs identified in other communities.

**The borough is commended for the cost-effective provision of this service.**

## **Commercial Garbage Pick-up**

Concerns were expressed about the garbage pick-up from commercial establishments and its effects on the flow of traffic. Currently, each commercial establishment contracts for pick-up. This causes the various contracted haulers to perform this service at their convenience even if they are blocking traffic. Other municipalities have solved this problem by requiring these haulers to pick-up during non-traffic critical hours of the day.

### **Recommendation:**

**It is recommended that the municipality adopt an ordinance designating the hours when these service providers are allowed to pick-up from commercial establishments.**

## **Recycling**

The borough contracts with the Mercer County Improvement Authority for curbside recycling collection. The cost to the municipality for collection at 3,514 residences is approximately \$57,242 per year. This is \$16.29 per household, and is considered cost effective.

## **Bureau of Fire Safety and Housing Inspection**

This function is staffed by the fire official, the rental housing coordinator and two fire/housing inspectors. In 1998, the salary and benefits expense for this function was \$215,240. During this same year, the fire safety and housing inspection division generated \$110,965 in revenue. The fee schedule was last updated effective September 21, 1993. In 1998, the following inspections were performed and reports were filed.

Fire Inspections	450
LHU Inspections	141
Non-LHU Inspections	309
Fire Incident Investigations	395
Housing Inspections	159

There are approximately two re-inspections for every inspection done. Re-inspections are spot inspections of particular discrepancies found in the original inspection. Records for re-inspections were not available.

### **Recommendations:**

**It is recommended that the inspection fees be re-evaluated to assure that they are still appropriate. This should be undertaken every few years.**

**It is recommended that all re-inspections be incorporated into the inspection records.**

## **Planning and Zoning**

This function has been organized under the engineering department. The zoning and planning coordinator is the entire staff for this office. The cost of this operation including salary and direct benefits is \$76,146.

In 1998, this office processed 15 zoning board development applications, 12 planning board development applications, 53 historic preservation plan applications and 21 administrative waivers. There were also 200 building permits reviewed, 107 developer fee applications and 35 zoning permits issued. The planning and zoning officer attended more than 50 meetings and developed three ordinance revisions.

The zoning office was reorganized within the engineering department in 1993. By organizing this way, this small department can draw support from, and provide support to, the larger organization. Thus, it is less expensive and more productive than a stand-alone department.

## **Joint Planning**

The Regional Planning Board was organized in 1970. The twelve member regional planning board is a combination of four elected officials and eight private citizens with equal representation from each community. The regional planning office is located in the township municipal complex and is administratively supported through township systems. The first regional master plan was adopted in May, 1980, and the second in July, 1989. The most recent master plan was adopted on December 12, 1996 and amended on May 15, 1997.

A professional planner, an administrative coordinator, and a secretary staff the office. The board also contracts its own legal counsel. The secretary who works in planning is currently charged to another operation and, therefore, the additional cost of \$43,626 in salaries and benefits is not reflected in planning expenditures.

The stated mission of the planning board is to preserve and, where possible, enrich the sense of community of the borough and township. The board promotes a variety of housing, businesses, recreational facilities and open space to meet the diverse needs of its citizens of different ages, ethnicity and income. It preserves and enhances the historical, educational and environmental treasures of the community.

In 1998, the joint planning office received 40 applications for development in the borough and 32 applications for development in the township. This is one of the few joint services where workload is well documented and fairly evenly split.

## **Financial**

The joint planning operation generated \$32,695 in fee revenue in 1998. A comparison of the fees charged indicates that these fees are comparable in most areas, the exception being preliminary and final site plans. The preliminary site plan fee in the township is \$500 and in the

borough is \$200. Some communities are charging \$500 + .03 per square foot. The final site plan fee in the township is \$250 and in the borough is \$100. Some communities have a fee of \$375 plus \$100 per acre or a flat \$500.

**Recommendation:**

**It is recommended that the joint planning office and the borough review these fees to determine if the fees are sufficient for the time required to perform these reviews.**

Escrow requirements are established and collected by each municipality for projects within their respective jurisdictions.

In 1998, the township appropriated \$85,401 for salaries and \$60,910 for other expenses for the joint planning function. These appropriations appear to include the borough's portion of \$72,319 or approximately one half of each category. The actual expenses attributable to this function exceed this appropriation.

The payroll data for the joint planning function indicates that this department has two employees, a planner and a coordinator. The combined cost of the salary and benefits for these two positions is \$133,969, exceeding the \$85,400 appropriation by \$48,569. The actual staffing of this functional area includes a third employee with salary and benefit costs of \$42,894 plus \$731 for longevity and overtime. The payroll data indicates that this employee is paid through the Drug Abuse Program. The actual salary expense in this department exceeds the appropriation by \$52,107. In addition, these three positions had a fringe benefit expense of \$39,077.

The actual cost of this function is \$137,508 in salaries, \$39,077 in benefits, and \$60,910 in other expenses for a total expense of \$237,495. This exceeds the total appropriation attributed to the planning function in the township budget by \$91,183.

The local services agreement calls for a split based on taxable assessed valuation which would be 68%/32%. Based on the team's analysis of expenditures, the township pays 70% of the net actual cost and the borough pays 30%. The actual budgeted amounts indicate a fairly even split between the borough and the township.

**Recommendation:**

**The borough and township are encouraged to consciously evaluate the structure of the agreement to assure equity and reflect consideration of the less easily quantified factors.**

**JOINT SEWER OPERATING COMMITTEE**

The Sewer Operating Committee (SOC) is organized to serve both the borough and the township and uses the borough for administrative support. The committee administrative function operates out of borough hall and the field function operates from the River Road facility. In

1998, this department had 13 full-time employees and four summer or temporary employees. The full-time staff included the SOC manager, the superintendent, the assistant superintendent, one inspector, one clerical and eight sewer maintenance personnel.

The responsibilities of the operation include inspections, routine maintenance and construction. The joint sewer operation is responsible for 125 miles of gravity-operated sewer line, and eight pump stations. This operation is also responsible for the landfill currently used for street sweepings disposal and the recycling drop-off site. Though much of the work required for the sewer function is of a routine nature, detailed records can be a vital management tool when attempting to establish cost per unit of activity. Records of daily work activities are kept manually. These records were clear as to location, however, unclear as to work input, except for records pertaining to pump station activity, line blockages and construction.

There is a very active inflow and infiltration abatement program. The most recent underground infrastructure mapping is approximately four years old. There have been requests to computerize the mapping function. The municipalities support this function in an ad hoc fashion, as their computer aided design (CAD) systems are setup for other engineering and municipal functions.

### **Recommendations:**

**It is recommended that record keeping be automated. These records should clearly connect time spent to units of measurable work.**

**It is recommended that the municipalities adopt a policy developing and committing themselves to a schedule for having the engineering department regularly undertake the underground infrastructure system mapping as recommended by the SOC. An alternative would be to arrange for Princeton University to perform this function for the SOC.**

### **Inflow and Infiltration (I&I)**

A comprehensive study of Inflow and Infiltration (I&I) was completed in 1986. Since this study, the municipalities and the joint sewer committee have replaced or relined 52,750 linear feet of sewer pipe; 30,425 linear feet of this had a major effect on I&I. The 1986 study projected average daily flows through the year 2010, with fourteen separate projections depicting different I&I reduction scenarios. Using these projections with an adjustment for a rainfall differential of 15.2% above the base year, it is estimated that I&I has been reduced from approximately 33% of total flow to between 26% and 28% of total flow. The reduction saves these municipalities \$164,348 annually. With today's materials, these improvements will function longer than those constructed 30, 40, or 50 years ago. Some older improvements have lasted 60 or 70 years. For costing purposes, the team has given these assets a 30-year life. Over the 30-year life of these renovations and reconstructions, the municipalities will save \$4,930,439 in processing costs. The capital investment through 1998 for I&I abatement projects was \$2,340,917. Over the expected life of these projects the municipalities will have a net savings of \$2,589,522 over their capital investment. The municipalities currently have a six-year capital plan for reconstruction and repair of this system.

**The borough and the township are commended for this capital investment program and are encouraged to continue to increase these cost saving activities. It is currently estimated that this initiative will net a savings of \$2,589,522 over thirty years and currently produces an annual cost reduction of \$164,348. This is an excellent example of how much more can be accomplished by joining resources as the borough and township have.**

## **Financial**

### **Revenue**

In the borough and the township, sewer billing is based on the previous year's water consumption. The borough and the township send their sewer bills with their tax bills. In 1998, the total sewer revenue for the municipalities was \$6,026,627.

In 1998, the borough received \$407,615 in revenue from Princeton Township, under the category of maintenance of sewer facilities.

In 1998, the borough and the township paid Stony Brook Regional Sewage Authority \$1,164,122 and \$1,575,011 respectively for the processing of 1,618,098,530 gallons of sewage and ground water. The municipalities paid \$852,771 to the Waste Water Treatment Trust. The borough paid a \$21,429 industrial user fee. Total expenses in these categories are \$3,613,333.

The municipalities also expended \$113,882 on currently funded capital improvements.

In 1998, the salary, benefit, overtime and longevity expense in the operation was \$669,479. Additionally, the borough spent \$101,628 for other expenses. The township spent \$13,086 for other expenses and \$75,000 was expended for sewer facilities improvements. These salary expenses were split between the solid waste account and the capital project accounts. This operation is responsible for the solid waste activities at the landfill. The salaries charged to the solid waste account appear to have been charged as a convenience to bookkeeping rather than as a reflection of what was actually worked. The salaries charged to capital accounts were those of employees devoted to these projects. The total current sewer expenditures were \$4,580,408.

In 1998, the sewer revenue in the municipalities exceeded the total actual 1998 sewer expenditures by \$1,440,219. For a more detailed breakdown by municipality see the tables in Appendix K.

### **Vehicles**

In 1998, the SOC operated 20 vehicles. One mechanic is responsible for maintaining all vehicles and equipment. The salary and benefit cost for this function is \$52,142 including \$2,537 for overtime. Other expenses, including parts, lubricants and marketplace repairs totaled \$17,223. The cost per vehicle is \$3,468. These services can be obtained in the market place averaging \$2,700 per vehicle.

**Recommendation:**

**It is recommended that the SOC merge vehicle maintenance with public works vehicle maintenance as discussed in the public works section.**

**Cost Savings: \$15,360**

**LIBRARY**

The Princeton Joint Public Library serves the residents of the Borough and Township of Princeton. Its aggregate service population is 25,778. There was an average of more than 16,900 (66%) resident library cardholders and 1,066 non-resident cardholders in 1998. Total expenditures for 1998 were \$2,187,893.

In 1998, the library's attendance was 384,571 or 14.9 visits per capita and its circulation was 327,973 or 12.8 per capita. In 1998, the library answered 40,413 adult reference questions, 910 of which were attributable to the regional reference center function. The library also answered 21,105 reference questions in the youth services division.

The library is currently open seven days and four evenings per week (69.5 hours) from September through June and is open six days per week (65 hours) during July and August.

The Princeton Public Library is one of six joint public libraries in the state. The other five are Bedminster-Far Hills, Chatham Borough and Township, Chester Borough and Township, Matawan-Aberdeen, and Morristown and Morris Township.

An independent board of trustees governs the library. The board of nine consists of six citizen members (three from each municipality) and three statutory members: the mayors of the borough and township and the superintendent of schools or their designated alternates.

The library director reports to the board. The library director resigned in 1999 after more than eleven years of service. In June, 1999, an interim library director was hired, who was appointed as the director in November, 1999.

The library serves as the community's information center and states, as its mission, the desire to provide the highest level of service and materials given the constraints of resources and facilities. The 1998 board minutes indicate an active board of trustees, a diligent staff association that participates in the library decision-making process, and a supportive friends of the library group.

Early in our analysis it was clear that Princeton Public Library provides a high level of service with a high price tag. The question LGBR is commissioned to address is whether or not tax dollar savings could be achieved without negatively impacting services. The other side of this question is whether services could be enhanced for the same amount of money. The approaches explored in this analysis include staff cuts to achieve better productivity and regionalization of some services or the entire operation. The discussions address cost savings. Similar savings can be achieved in productivity enhancements, if resources are reorganized in order to achieve the

productivity benchmarks identified. This could be accomplished by increasing staff productivity through staff development and a comprehensive system of accountability or by applying the savings identified from staff reductions to other expenditures that would improve services. For example, some savings could be applied to increase the materials budget to 15-18% of the budget or, given the current facilities constraints, it may, for now, best be used for a comprehensive user/nonuser survey to verify that the current direction of the library is meeting the interests of the taxpayers and for staff development.

## **Financial**

### **Budget**

The library operating budget prepared for the governing bodies is a thorough presentation of all sources of revenue and all expenditures. For 1998, the library requested borough and township support of \$1,777,331 out of a budget of \$2,188,703. This figure includes a reimbursement by the library to the governing bodies for services provided such as sewer and trash collection.

The borough and township appropriated \$1,761,531 to the library in 1998. Between 1995 and 1998 appropriation amounts have grown 20.2%, averaging 6.7% each year.

### **Fund Balances**

The library has a policy of maintaining a total general fund and special revenue fund balance of between \$250,000 and \$300,000 annually for purposes of maintaining cash flow. In addition, the capital fund is maintained at a level of between \$300,000 and \$500,000.

### **Expenditures**

In 1998, the library expended \$1,321,897 in salaries, \$277,887 in benefits, \$268,720 in materials and \$317,736 in other operating expenditures, for a total of \$2,186,240. Salary and benefits accounted for 73%, materials for 12%, and other operating expenses for 15% of total expenditures.

The state requires that municipalities provide a sum equal to one-third of a mill on every dollar of assessable property for the operation of the library. The Department of Community Affairs (DCA) Office of Local Government Services Municipal Information Sheet indicated that the state mandated one-third mill contribution for calendar year 1998 was \$321,446.31 for the borough and \$687,873 for the township, for a total of \$1,009,320. Expenditures within the state-mandated sum are within the purview of the board of trustees. The governing body of the municipality has the authority to determine the use of the appropriation in excess of the minimum. The actual tax support paid in 1998 was \$563,690 from the borough and \$1,197,841 from the township for a total of \$1,761,531.

**Optional Expense: \$752,211**  
**Borough Share: \$242,243**  
**Township Share: \$509,968**

## **Revenues**

In 1998, library revenues consisted of \$1,739,728 in municipal support, \$28,887 in per capita state aid, \$40,000 from the Central Jersey Regional Cooperative reference center grant, \$177,720 in fines and fees, and \$201,557 from the friends of the library organization, for a total of \$2,187,893.

The Central Jersey Regional Library Cooperative provides the library with a \$40,000 grant to serve as back-up reference center for the region which includes Mercer, Ocean and Monmouth Counties. The library answers reference questions that other libraries in the region are unable to answer using their own resources and abilities. In addition, the library develops and maintains a “Regional Reference Center” Web page. In 1998, 910 questions were answered under the grant.

The Princeton Public Library Foundation, a private charitable organization, has contracted with a private vendor to begin developing and maintaining a relationship between the library and prospective major donors to the library expansion project. The foundation’s goal is to raise approximately \$6 million towards the expansion of the library building.

**The library is commended for its aggressive pursuit of funding outside of the public domain. Through user fees, grants, donations, outreach and a very active Friends of the Library group, the library supports approximately 19% of its budget through private sources.**

## **Comparison**

In order to make fair comparisons, we used the most recent state library statistics. In 1997, the statistics reported that the library expended \$1,524,218 in salaries, wages and benefits, \$305,583 in materials and \$353,822 in other operating expenditures for a total of \$2,183,623. Salary and benefits account for 70%, materials for 14% and other operating expenses for 16% of total expenditures.

The 1997 state library statistics report indicates that revenues consisted of \$1,632,192 in municipal tax support, \$28,887 in state aid, and, approximately, \$454,377 in other revenues including fines and fees, for a total of \$2,115,456.

In order to evaluate the library, the team compared particular expenditure and service indicators to its peers (as identified by the acting library director), and libraries in the same expenditure and population group (see Appendix L for details). The outcome of this comparison is that the Princeton Joint Public Library, at \$84.71 per capita spends 24% more than its peers and 135% and 183% more than those in similar population and expenditure groups. Looking at service statistics, a circulation per capita of 12 is 97% higher than its population and expenditure groups and just 3% higher than its peers’ per capita circulation which is 11.9. Having 66% of the population as cardholders is average in comparison to the rest of the United States but high in comparison with Mercer County at 54%, again indicating a good service level and satisfaction with the service. Circulation per hour open is also 32% higher than its peers reinforcing the concept that the level of service is high. The cost per circulation is the same as its peers. Looking at per capita expenditures on materials, staff and other expenses, Princeton spends

between 100% and 200% more on staff per capita than libraries in the same population and expenditure category. Princeton spends 20% more on staff per capita than its peers. In addition, the circulation per Full-time Equivalent (FTE) is lower than all of the comparison groups including 20% lower than its peers. At 1.35, the FTE per thousand population is higher than that of the population and expenditure groups and 30% higher than its peer group.

This data could lead to the conclusion that, although the service provided appears to be excellent, there may be excessive staffing. Therefore, the team examined staffing for each function. This was somewhat difficult to examine because a number of changes have occurred that are not particularly well documented because of the timing of the changes in relation to the team's data collection. In order to be as accurate and constructive as possible we have used staffing levels based on a January, 2000 payroll. It is noted that the library board has established a policy of analyzing each full-time vacancy in order to identify a more cost-effective means of performing the function and it appears that staffing has been reduced in some areas that originally appeared to be overstaffed.

### **Organization/Staffing**

In January, 2000, the library had a full-time equivalent of 15 professional librarians, 19 paraprofessionals and 2.5 maintenance/custodial support staff. It is difficult to quantify but evident that between December, 1998 and January, 2000 commendable adjustments in staffing had been made to improve the productivity of some Princeton Public Library staff assignments in relation to the benchmarks used by LGBR. In 1998, the library had 30 volunteers that contributed approximately 4,500 hours.

**The library is commended for its use of volunteers and for actively managing its staff configuration to improve productivity.**

Below is a function by function description of the organization and evaluation of the staffing based on service levels. Appendix N provides a summary of recommended staffing changes in comparison to the current configuration.

**Administration:** The library's administrative department is staffed with four full-time employees that oversee the day-to-day operation of the library. The department has a director, an assistant director, an administrative assistant, and a bookkeeper. This department performs the overall policy management of the library, as well as, all the budgeting, purchasing, bookkeeping, fundraising, community relations and payroll functions of the library, for a budget of more than \$2.1 million.

**Youth Services:** The library's youth services function is staffed with a manager, the full-time equivalent of 3.2 librarians and one half-time library assistant, who plan and run the children and teen programs in the library. Youth services conduct homework help programs, seasonal story hours, craft programs, parent-child book discussions, film programs, major outreach programs, creative dramatics, and many different clubs. Additionally, the library has been working on creating more programs for teens by hiring a teen specialist, who is responsible for developing a teen program and improving the teen/young adult collection.

It is evident that the library has rearranged staff to reduce staffing of this function to some degree, since the end of 1998. To the extent that this now makes the productivity comparable to other libraries, the library is commended.

**Circulation:** The library's circulation department is staffed with a manager, three full-time library assistants, two full-time library assistant/shelvers and part-time library assistants equating to approximately 2.5 FTEs. The department is the library's front line for customer service. Circulation checks library materials in and out, enters patron records, sends out overdue notices, and handles patron phone calls. The library generally operates with two library assistants on the circulation desk. The current staffing level averages to approximately 5 FTE per hour open. An FTE of 4 would still allow for appropriate coverage and assistance with shelving.

Within circulation is the shelving function. The library's staff of shelvers all work part-time returning library materials to the shelves. The total part-time hours worked by the shelvers is 7,203.5 or 3.95 FTE. Shelvers were responsible for returning to the shelves approximately 83,031 items per FTE. The library usually has a one to two day backlog in shelving.

#### **Recommendation:**

**It is recommended that the circulation staff be reduced by one full-time library assistant.**

**Cost Savings: \$23,453**  
**Borough Savings: \$7,505**  
**Township Savings: \$15,948**

**Maintenance:** The library's maintenance department is staffed with one full-time facilities assistant/building control monitor and an FTE of 1.5 custodians. The facilities assistant who does the library's maintenance work also functions as the library's after-school monitor. The after-school position is used only during the school months. The two custodians share a part-time position as night custodian. The cost for this function is estimated to be between \$2 and \$3 which is comparable to school cleaning costs. This is reasonable, given the traffic and activity level of the facility. In addition, the staff provides more than the routine maintenance functions and therefore it would not be appropriate to contract out for this function at this time.

**Reference/Info Services:** The library's reference function is staffed with a manager, 4.5 full-time librarians, a full-time library assistant and an FTE of two part-time librarians. There are three reference librarians scheduled at a time. The staff answers all questions for the library patrons and the regional reference center. This department is also instrumental in bringing more of the library services to the Internet. During 1998, the department answered 40,413 questions or 5,388 per FTE. Within the reference function are:

**Community Resource File:** There is a part-time library assistant whose sole responsibility is indexing local newspapers for the library. This individual also works under the supervision of the reference/information manager. The total part-time hours worked in this department are 658 or .36 FTE. During 1998, the library assistant updated 728 records in the community resource file.

**Inter-Library Loans:** There is one part-time library assistant, who is responsible for processing inter-library loans. This individual primarily works under the supervision of the reference/information manager. The total part-time hours worked in this department are 287 or .16 FTE. During 1998, the library assistant was responsible for processing 5,116 inter-library loans.

The Lawrence Headquarters of the Mercer County Library System provides full service reference to Lawrence Township, which has a population similar to Princeton in size and, to a lesser degree, demographics. Lawrence's FTE of professional librarians on the reference desk is 5.2. They answered 44,000 reference questions in 1998. This equates to 8,462 each or 36% more than Princeton's reference staff. Reducing Princeton's reference staff from 7.5 to 5.5 would increase its productivity to 7,348 questions per FTE which is still below the county's productivity level. If you reduced the FTE attributed to reference by the .5 person who is assigned to adult services/programming the productivity would be very close to the County's at 8,083.

**Recommendation:**

**It is recommended that the reference staff be reduced by two FTE.**

**Cost Savings: \$81,523**  
**Borough Savings: \$26,087**  
**Township Savings: \$55,435**

**Technical Services:** The library's technical services operation is staffed with 2.5 full-time librarians, 2.5 full-time library assistants, and part-time library assistants equating to 1.4 FTE, for a total of 6.4 FTE. The department provides all of the materials support functions for the library. This group is responsible for ordering books and materials, cataloging and processing all items, weeding the collection, managing holds, and selecting items for the adult, Spanish and children's collections. During 1998, 8,300 book and audiovisual items were added to the collection.

In order to assess the validity of the staffing, the team used Mercer County Library for benchmarking purposes. Mercer County's technical services staff consists of two professional librarians and seven paraprofessionals. The professional to clerical ratio is 1:3.5 at Mercer County and 1:1.2 at Princeton. Mercer County processed 67,799 items in 1998 or 7,533 items per staff member. Princeton averaged 1,297 items per staff person. Recognizing Mercer County as highly efficient and benefiting from economies of scale and having an excellent automation system, the team would not propose that Princeton meet the same production standards. However, a reduction of 1.5 professionals and one full-time paraprofessional would create a ratio of 1:2.9 professionals to paraprofessionals and increase productivity to 2,371. One explanation for the high staffing level is that the staff selects some materials and is very active in weeding the collection. With 13 other professional librarians on staff there is little reason for the technical services staff to be responsible for materials selection. In addition, automation will further simplify and expedite processing.

**Recommendation:**

**It is recommended that the technical services staff be reduced by 1.5 professionals and one full-time paraprofessional.**

**Cost Savings: \$125,772**  
**Borough Savings: \$40,247**  
**Township Savings: \$85,525**

**Automation Support:** The library's automation staff is within technical services and consists of one full-time technical specialist and two part-time professional librarians, who are responsible for application development, office automation and the web page.

**Administration**

All purchase requests are compiled in-house and reviewed by borough and township administrators. The borough administrator co-signs all checks issued by the library from public funds. The assistant director performs the purchasing function.

The library undergoes an independent audit annually. The library is responsible for its own purchasing, and payroll. Payroll is prepared by the bookkeeper and sent to a contractor. The annual cost to administer the library payroll is approximately \$4,409 for processing and \$3,702 in salary costs, for a total of \$8,111. The costs associated with adding payroll to the borough's payroll is approximately \$4,022.

**Recommendation:**

**It is recommended that the payroll function be centralized through the borough while being structured in compliance with N.J.S.A. 40:54-29.3 et. seq. The library should take advantage of services that are routinely performed by the borough and township.**

**Cost Savings: \$4,089**  
**Borough Savings: \$1,309**  
**Township Savings: \$2,780**

**Library Property and Casualty Insurance**

The library spent approximately \$21,400 for property and casualty insurance in 1998. It expects to pay about \$22,900 in 1999. The review team consulted with both the borough's insurance fund manager and the township's broker about the feasibility of joining either organization. Since the library is a joint operation, it would need to be sponsored to the JIF by one of the communities. The savings that the library could expect from a joint insurance fund over their current full insurance is estimated to be 20% or \$4,580.

**Recommendation:**

**It is recommended that the library approach both municipalities for sponsorship in a joint insurance fund. The savings are an estimate based upon premium paid versus a more accurate method of underwriting based upon claims history. Since the library is undertaking a large construction project, the expertise that the joint insurance funds can give regarding project management and safety would be worth the extra effort expended in changing insurers.**

**Cost Savings: \$4,580  
Borough Savings: \$1,466  
Township Savings: \$3,114**

**Personnel**

A review of payroll records indicates that the library pays longevity. In 1998, there were 14 employees with over ten years of service.

**Recommendation:**

**It is recommended that the library eliminate the practice of compensating staff for time spent on the job. A more appropriate system for upgrading compensation would be based on merit.**

**Cost Savings: \$18,000  
Borough Savings: \$5,760  
Township Savings: \$12,240**

Payroll records also indicate that there are four part-time employees who receive benefits. Part-time employees, working 20-30 hours a week are given benefits at the discretion of the library. Benefits given to part-time employees in 1998 cost \$12,584.

**Recommendation:**

**It is recommended that the library limit part-time hours so that benefits are not paid for part-time work and pay benefits only to employees that work over 30 hours per week. Eliminating this practice would save the library \$12,584.**

**Cost Savings: \$12,584  
Borough Savings: \$4,027  
Township Savings: \$8,557**

The library lacks an updated personnel manual. Absent are policies relating to such issues as the use of computers and the Internet and customer service. Over time some of the information has become inaccurate. While the information may be understood or compiled accurately in another place, it is not in the library's personnel policy manual.

## **Recommendation:**

**While the library understands the need for an updated policy manual, one has not been drafted. An up-to-date personnel manual is critical in any well-run organization. Therefore, it is recommended that the library make this a priority in the coming months. LGBR further recommends that the library work in cooperation with the township and the borough in order not to duplicate efforts and assure consistency.**

## **Programs**

The library continually strives to enhance services provided through a host of programs for children and adults, the advancement of its library expansion initiatives and increasing operational effectiveness and efficiency through staff and technological development. The library offered 306 programs with a documented attendance of over 6,800. Examples of some of the programs are: How to use the Internet Workshops; Writer's Talking (Author's Talks); Informational Presentations/Topical Lectures; Stories for Infants and Toddlers; Stories for School-Age Children; Family Story Hours; Video Showings; Book Talks; Class Visits to Schools; Book-related Creative Dramatics; Book-related Science Demonstrations; Book-related Craft Programs; Book-related Puppet Shows; Book-related Sing-Alongs and Music Programs.

## **Collection**

In 1997, Princeton's collection included 127,815 books, 3,975 audiocassettes, 2,452 compact discs, 3,648 videos and, 131 computer discs or CD-ROMs. Princeton's collection exceeds the average for libraries in its population group; however, Princeton has 36% less than the average number of volumes owned by others in its expenditure group. The lower expenditures on materials are reflected in the addition of only 8,840 items in 1997. This is 15,600 fewer items than the average for libraries in the same expenditure category. Due to the library's space constraints, a regular and aggressive weeding policy is maintained and the collection is weeded as new items are added. The result is that the overall age and condition of the collection is very good. The total value of the library holdings is \$2.18 million. An indicator of the productivity of the collection is the turnover rate (the average number of times an item circulates) which is 2.5. It is 56% higher than the state average of 1.6. This turnover rate is also 13% higher than its peer group which averages 2.2.

**The library is commended for tailoring its collection effectively, as indicated by an above average circulation per capita and an above average turnover rate.**

## **Facilities**

The library is housed in a 26,600 square foot building constructed in 1965. The 1993 consultant's report documents the library to be 40% undersized given the existing services and collection. The proposed program area, based on present demand and future increases in population, is between 52,972 and 56,755 square feet. The study noted that expansion of the existing library structure would increase parking concerns and projected operating costs

especially with a projected increase in service. The report concluded, however, that the parking impacts did not necessitate the construction of a parking garage. The increase in operating costs was estimated to be \$500,000 annually in the first seven years.

A library building consultant will be revising the 1993 Library Expansion Feasibility Study. In 1999, the library retained a consulting architect on the expansion project. The library intends to apply for funding under the recently adopted \$50 million dollar Construction Program for Public Libraries initiative. Final designs and construction plans are slated for late winter of the year 2000. The library expansion is estimated to cost \$12 million, with half the funding coming from the municipalities and the other half coming from the library, through its foundation's fund raising.

Based on studies already made and the detailed analysis they contained, it is clear that the library has followed an appropriate process for determining the degree of expansion provided. One caution LGBR will make is regarding the conclusion that the expansion will not make a parking garage necessary. The impact of the expansion on library use must be considered in conjunction with other factors affecting parking at that location.

### **Technology**

The library has been operating with an outdated automated circulation control system, which included computer-generated overdues. The library's manager of automation and technical services revised the technology plan in February, 1998. The plan emphasized the importance of staff technology training, as well as the increased need for on-line navigators and information mediators.

The library has selected a new automation system provider. Currently, the library is in the process of implementing its new automated system, which includes an Internet based on-line catalog, an acquisitions module and a circulation module. This library automation system is not widely used in New Jersey and, thus, may limit future opportunities for sharing resources with other libraries in the region.

The library has a number of CD-ROM and on-line resources available. The library is also equipped with 51 computers, 26 of which are public access computers which provide access to the on-line and CD-ROM reference sources, full text versions of periodicals and the Internet.

### **Regionalization**

One option to be considered for delivery of library services is for the joint library to join the Mercer County Library System. This concept has been reviewed by council in the past and continues to be unpopular and controversial in the community. The team would be remiss if some generalized insight into what such an alternative could mean were not provided.

### **Services**

There are differences in services provided by Mercer County Library and Princeton Public Library that make them complementary to each other. Princeton, with its significantly higher

staffing level, provides more personalized professional research assistance. On the other hand, with a total collection of 263,168 items and nine facilities, Mercer County Library offers a greater variety of materials. MCL assures timely access to popular materials by having a policy of purchasing multiple copies in response to demand. It should also be noted that there are allowances for differences among the branches; each branch is given the latitude to address the specific needs of its local community while having the resources of the entire system available to it by phone, fax or daily delivery. This same leeway provides a system that, as a whole, has an in depth collection and staff with a variety of interests and expertise.

## Financial

If the current county library tax rate were applied to the assessed valuation of the borough and the township, the result would be a budget/tax levy of \$2.2 million. The Mercer County Library tax rate includes lease payments for new construction on seven facilities, which amounts to 1.13 tax points. Subtracting that amount would bring the tax levy to \$1,796,873, which is similar to the current municipal tax cost of \$1,739,728. The deducted lease portion could be set aside to fund the Princeton Library's expansion in the same manner as the earlier Mercer County Library System's expansions. The amount of \$421,489 is enough to fund current plans for a \$12 million expansion if half the cost is raised by the library foundation. The lease purchase option would also serve a significant purpose of removing the cost of the library expansion from the municipalities' net debt.

In addition to the savings already identified in the reference and circulation staffing sections, there are a few very specific staffing reductions that could be made without question. First, the technical services operation could be cut in total. Second, the systems administration function could be reduced to one person and the assistant library director and bookkeeper positions could be cut. There are most likely other efficiencies that could be realized. However, these are the most obvious and do produce significant savings without impacting service. With these cuts, the costs of operating the Princeton Public Library could be reduced by a total of \$510,935. If easily gained savings from other operational improvements suggested prior to regionalization are included, the total would be \$615,911.

All aspects of the financial arrangements are negotiable. Using one alternative as an example would be to let the taxpayers realize all of the operational savings, assure that all friends donations stay with the branch and allow the County Library to collect fine revenues and per capita state aid. In 1998, this would net Princeton taxpayers a savings of \$303,779 or, including other improvements, \$409,306 and expand access to the greater resources of the entire Mercer County Library System.

Administration	\$138,346
Entire Technical Services Operation	\$325,436
Two Part-time Systems People	\$36,171
Entire ILL	\$10,982
<b>Total from Regionalization</b>	<b>\$510,935</b>
Other Improvements	\$104,976
<b>Total Savings</b>	<b>\$615,911</b>

## **Conclusion**

Princeton Joint Public Library is somewhat difficult to evaluate because of its extremely high expenditures and equally high patronage.

Overall, the team's conclusion is that, insofar as the decision to provide an extraordinary level of service with an extraordinarily high price tag is a conscious one by the governing bodies, the residents of Princeton are getting what they pay for. The team also finds that the library has identified, and used, alternative resources, such as volunteers and private donations for support of library services. The team further finds that the level and quality of service could not be provided by the communities individually.

The primary driver of these costs is a very high staffing level. The team did identify a few areas where staff could be reduced without impacting the high level of service. In addition, there are decisions that have been made that will preclude more cost effective operations, the most notable is selecting a unique automation system which is not compatible with area libraries, such as the Mercer County Library System.

It should be noted that the estimated increase in operating costs resulting from the expansion would be, at the very least, \$700,000, including capital costs. This equates to \$27.15 per capita and would bring the per capita expenditures to \$112.

The only means of maintaining a high level of service while reducing costs or slowing cost increases would be through further regionalization.

## **Recommendations:**

**It would be possible for the Princetons to achieve significant savings and service enhancements by joining with the Mercer County Library System, as well as, implementing previously recommended changes. Such a consolidation would necessitate negotiations to achieve cost savings and to preserve services. Estimated net savings are conservative based on the scenario discussed above.**

**Cost Savings: \$303,779 - \$409,306 (net)  
Borough Cost Savings: \$97,209 - \$130,978  
Township Cost Savings: \$206,570 - \$278,328**

**If further regionalization is not chosen, the communities are urged to be cautious in their staffing and infrastructure decisions and are encouraged to look at their environment to identify areas in which services can be increased through cooperation or regionalization with other libraries in the region rather than increasing expenditures. Intermediary steps that would serve the communities well would be an investigation of lease purchase options for financing the library building and establishing reciprocity between Princeton Public Library and Mercer County Library.**

## **HUMAN SERVICES**

The borough and township have been reorganizing the way they provide public assistance, civil rights, and senior transportation over the past few years. During 1997, each function was operated by its own joint commission. During 1998, a new commission was created known as the Social Services Commission. This body combined the public assistance and civil rights functions. In an effort to consolidate more areas, the Human Services Commission was created in 1999 through an inter-local agreement between the borough and the township. It combined all of the above mentioned operating entities and added a youth services function under one commission. When the Human Services Commission was created, its mission as stated was “to advocate for the interests of Princeton seniors, youth and local assistance recipients, as well as for all the residents of Princeton Borough and Township in the areas of civil and human rights.” The commission is comprised of six borough and six township residents. The primary responsibility of the commission is setting policy and addressing the needs of the community. The funding for the commission is split 50/50 between the borough and the township.

The Director of Human Services is assisted by a part-time human services associate who works 20 hours per week, Monday through Friday 9:00 a.m. - 1:00 p.m.

### **Public Assistance**

The Princeton Public Assistance Office provides financial assistance, medical and pharmaceutical care and temporary housing to single residents of the borough and township between the ages of 18 and 65 without dependent children. The department is governed by a Local Assistance Board (LAB), which consists of three members who meet four times each year.

In 1997, the borough and township declined to consolidate the local welfare department with the county welfare department. Chapter 37 of the Laws of 1997 required all municipal welfare operations to consolidate with the county welfare department unless the municipal governing body affirmatively acted to retain welfare locally. On October 6, 1997 the township committee adopted a resolution retaining the welfare operation locally and, on December 16, 1997, the borough council adopted a similar resolution. According to the resolutions, the borough council and township committee were of the opinion that the needs of the residents who require public assistance could be better served at the local level.

### **Caseload**

According to the GA-6 reports provided to the New Jersey Department of Human Services, there were an average of 12 general assistance cases per month during 1998. Of the 12 cases, approximately 75% were classified as unemployable. In 1998, \$37,571 was expended in general assistance funds.

### **Organization and Staffing**

During 1998, the public assistance department was staffed by two different directors. The combined salaries and benefits for the position were approximately \$36,600 and other expenses

were \$2,500, for a total of \$39,100. The office was located in borough hall but has since been relocated to the township building. The office hours are from 9:00 a.m. - 5:00 p.m., Monday through Friday.

In addition to the documented caseload, the office has expanded its services to include providing assistance and referrals to an average of 30 walk in clients per month. The Director of Human Services estimates that she spends approximately 50% of her time in providing these services for a total operational cost of \$31,000, a reduction of \$8,100 over 1998 costs. The director is providing more services to the walk in clientele while reducing the operational cost of the function.

### **Financial**

The Director of Human Services maintains an “operations” account for the borough and a Public Assistance Trust Fund II account for the township for disbursement of general assistance. In addition, all emergency and temporary rental assistance is paid through the township PATF II account. The ending balances in 1998 for these accounts were \$10,612 and \$3,817 respectively.

In addition to the operations account, the borough’s CFO maintains two trust fund accounts (PATF I and II). The PATF I account is maintained for emergency assistance and normally non-reimbursable items. The PATF II account is maintained for general assistance reimbursable from the state. The ending balance in the PATF I account was \$30,271 and the ending balance in the PATF II was \$36,186.36. \$28,697 from the PATF I account, is held by the borough in a certificate of deposit, which is renewed after each period. When the human services director needs additional money in the borough operation account, the borough CFO writes a check from the appropriate PATF account.

The township’s PATF I and II accounts have historically been handled differently. The township has delegated the maintenance of the accounts to the public assistance director, now the human services director. The ending balance in the PATF I account was \$8.00 and the PATF II account was \$10,612, as previously stated.

### **Recommendations:**

**The borough is commended for investing the idle PATF I money in a certificate of deposit. However, it is recommended that the Director of Human Services request permission from the New Jersey Division of Family Development to reduce the balance in this account to approximately \$2,000 and return the approximate \$25,000 surplus to the general fund.**

**One-time Revenue Enhancement: \$25,000**

**The two communities are encouraged to continue to evaluate the need to offer public assistance locally. They have developed a responsive, cost effective service which, by virtue of its being local, has lowered the cost of the other human services related functions offered. However, it is costing \$31,000 to distribute \$37,571 locally.**

## **Senior Transportation**

The borough and township operate a senior transportation service known as Crosstown 62. The service is intended for borough and township senior residents age 62 or older for essential medical, banking and shopping needs within the borough or township.

The service operates Monday through Friday 9:00 a.m. until 3:00 p.m. and uses a former police vehicle to provide the transportation. Because of the limited seating the vehicle provides, the majority of the rides are for one passenger. During 1998, the program included a coordinator, a driver and a substitute driver. The program averaged approximately 30 round trip rides per week to the eligible residents. This equates to approximately 1,560 round trip rides annually.

### **Financial**

During 1998, the department paid \$30,870 in salary and benefits and \$6,912 in other expenses, for a total cost of \$37,782. There is no charge for medical appointments, however, donations are accepted. The department charges \$1.50 for all other transportation. During 1998, the department generated \$3,353 in revenue; therefore, the net operating cost was \$34,429. This equates to \$22.07 per round trip ride.

The department has been actively seeking alternative, more cost efficient methods of providing this service during the last year. For example, in 1999, a part-time human services associate who works from 9:00 a.m. - 1:00 p.m., Monday through Friday has replaced the coordinator. Approximately two-thirds of her time, or 13.5 hours per week, is attributable to answering the transportation telephone and scheduling rides. This restructuring has reduced the operating cost for the service to \$35,471. Using the same revenue figures as 1998, the net cost of the program would be \$32,118 or \$20.59 per round trip ride.

While there are alternative sources of transportation services available to the senior residents of the communities, none provide the specialized and personalized service of Crosstown 62. The county run Transportation Resources to Aid the Disadvantaged and Elderly (TRADE) provides transportation service at no cost to the elderly, low income or disabled Princeton residents for medical and nutrition services.

The American Red Cross will provide transportation services for elderly Princeton residents outside the Princeton area only. The American Red Cross has a policy not to provide transportation services within a municipality, which provides a similar service. An exception to this policy is for emergencies when the resident has exhausted all other options.

While concluding our review, the senior transportation committee had received a proposal from a local taxi service company to provide the senior transportation service on a trial basis for a period of six months. The proposal stipulates that the company would charge a flat rate of \$5.00 per person for one-way transportation within the borough and township for senior residents who register with the Human Services Commission. The service will operate during the same hours as before 9:00 a.m. – 3:00 p.m. As previously mentioned, the current senior transportation service is costing approximately \$10.30 per person each way; therefore, the proposal could

reduce the cost of the senior transportation service by 50% or approximately \$16,500. Alternatively, for the same amount of money the commission could provide significantly more trips. A goal of the change is enhanced services.

**The Human Services Commission is commended for seeking alternative methods of providing the senior transportation service at a more reasonable cost, without sacrificing the level of service.**

## **Civil Rights**

The borough and township have, historically, jointly funded a program for civil rights advocacy. The functions of the program include education on civil rights, mediation, referrals to other organizations and assisting with community housing and employment issues. The same services are provided by a state agency, the Division on Civil Rights, on a regional basis. The office for Mercer County is located in Trenton, just a few miles from Princeton.

During 1996, the agency employed an individual to provide the services at a salary of \$34,702. In 1997 and 1998, the services were performed under a professional service contract for \$37,625. During 1998, the services were performed by an employee for nine months of the year for a cost of \$28,219. The commission handled any issues for the remaining three months of 1998.

As part of the reorganization in 1999, the Director of Human Services now administers the civil rights program. During 1999, the director has been averaging one civil rights issue per month. It is estimated that less than 5% of the director's time is spent on civil rights issues; therefore, the current cost for this service is \$2,850, a reduction of \$34,775.

Although the services are provided by a state agency, with the reduced cost associated with the reorganization of the agency, it is the team's conclusion that the costs are more aligned with the services.

**The commission is commended for its efforts in reducing the cost of providing the services on civil rights issues.**

## **Youth Services**

The human service associate spends approximately 20% of her time on youth services functions and approximately 5% of the director's time is spent on youth services. Therefore, approximately \$4,900 in salary and benefits is attributable to this function.

There is strong support in the communities regarding the concerns and needs of the youth population. There are numerous organizations in both communities that provide a wide range of activities for youth. A committee of representatives from the school district, the YWCA, YMCA and various municipal departments who serve the youth population, has been formed to meet monthly to discuss the activities and identify and develop some other alternatives. A "hot" topic currently talked about is the need for a community center. A sub-committee has been formed, "The Partnership for a Princeton Community Center," to evaluate the level of interest for a

community center and the targeted groups for utilization. Other issues include identifying a place for middle grade students (5<sup>th</sup> through 8<sup>th</sup>) to meet and socialize in the absence of a community center, a formalized program for anger management, a program relating to the importance of a job, and an academic enrichment summer program.

**The commission is commended for taking a proactive role in addressing the concerns and needs of the youth of the communities.**

### **Reorganization**

As previously stated, the separate functions were consolidated in 1999 under the Human Services Commission. The team reviewed the expenditures for each function in 1997 and 1998 and the projected expenditures for 1999. In 1997, the total budget amounts for all functions was \$145,838. In 1998, the total actual expenditures identified for all functions was \$140,100, a decrease of 3.93%. The projected expenditures for 1999 for the department total \$108,000, a further reduction of 22.96%.

Each service provided under the auspices of the Human Services Department is optional and, in some cases, is a duplication of services provided at the state and county level. However, because the communities have made the policy decisions to provide these services locally, the Joint Human Services Department provides this high level of service in as cost effective a manner as possible.

**Optional Expense: \$108,000**  
**Borough Share: \$54,000**  
**Township Share: \$54,000**

### **SUZANNE PATTERSON CENTER**

The Suzanne Patterson Center is a borough owned facility where borough and township senior citizen activities are held. The center is operated as a joint agency between the borough and township with the operating costs shared evenly. The 1998 operating cost was \$74,302, which consisted of activity expenses of \$65,302 and facility expenses of \$9,000. The activities are provided by a non-profit organization specializing in senior citizens services known as the Princeton Senior Resource Center (PSRC), under a professional service agreement with the borough. The PSRC provides a wide range of services and activities for the senior population of the municipalities. These include recreational and social activities, health promotion and screenings, educational programs, support to the home bound, and counseling services. Participation in the activities and services provided since 1995 has been increasing at an average of 20% annually, while funding has increased an average of 10%.

**The borough and township are commended for the efficient provision of senior services.**

## **CORNER HOUSE**

Corner House is a non-profit counseling and substance abuse outpatient treatment agency established as a joint agency between the borough and the township in 1972 for adolescents, young adults and their families. The Princeton Alcohol and Drug Alliance (PADA) has been designated as a joint municipal alliance and serves as the governing body of Corner House. The PADA is comprised of between 25 and 27 residents of the communities. The primary function of the PADA is the advocacy, education and provision of resources for the prevention of substance abuse in the Princeton communities. The PADA oversees the operation of Corner House.

**The borough and township are commended for organizing Corner House and PADA in a way that maximizes resources, cooperation and community input.**

### **Organization and Staffing**

The executive director manages the daily programs and services provided by Corner House. In addition, the executive director manages the day to day activities of the office, and is very involved in the promotion of the various programs and services offered and fundraising activities. The other staff members of the agency are: a clinical supervisor, three full-time clinicians, two part-time clinicians, one part-time clinician/prevention specialist, one part-time prevention coordinator, one part-time prevention specialist, two full-time clerical support personnel and a part-time clerical support person. The professional staff are all licensed social workers with master's degrees. The full-time personnel work a 35-hour week Monday through Friday. The part-time personnel work either a 24-hour or 28-hour week. The office is located in the township building and is open from 9:00 a.m. - 5:00 p.m. The work hours for the professional staff vary depending on the needs of the clients.

The clinicians provide a variety of counseling and treatment programs to a wide range of individuals from age 11 to adults. Some of the issues that the clinicians counsel and/or treat are addictive behavior, depression, eating disorders, domestic violence and child abuse, parent-teen communications, family issues such as divorce, remarriage, death, teen suicide risk and problems at school or social relationships.

The prevention specialists present a variety of educational programs to students in both public and private schools, and provide outreach programs to the parents and community-at-large. Some of the programs offered are Academic Success Today, Beginning Alcohol/Drug Basic Education Series, Best Latino Student Team, Teen Advisory Group, and Super Teens Acting Responsibly.

### **Financial**

The agency's funding sources include: the borough and township as a joint agency, the state department of health and senior services, the Corner House Foundation (a non-profit organization), Mercer County, the Princeton Regional School District and client fees. The total

salary, wages, and benefits expenditures were \$344,893 and other expenses were \$169,643 for a total operating cost of \$514,536. The following chart illustrates the expenditures by program.

<b>EXPENDITURES</b>			
<b>Program</b>	<b>Salaries</b>	<b>O.E.'s</b>	<b>Total</b>
Joint Drug Abuse-Borough	\$60,112	\$36,971	\$97,083
Mercer Regional	\$43,405	\$56,273	\$99,678
Princeton Municipal Alliance		\$25,847	\$25,847
Drug Abuse-State	\$117,485		\$117,485
Mercer Co Drug Program	\$24,464		\$24,464
Mercer Co- Intensive Out	\$14,000		\$14,000
Princeton HS STAR/AST	\$12,000		\$12,000
PHS Intervention	\$14,815	\$5,185	\$20,000
Joint Drug Abuse-Township	\$58,612	\$38,462	\$97,074
PADA Match – Township		\$6,905	\$6,905
<b>Total</b>	<b>\$344,893</b>	<b>\$169,643</b>	<b>\$514,536</b>

Municipal appropriations are split fifty/fifty and therefore the appropriation amounts are each approximately \$97,000. The township provided an additional \$6,905 in matching grant funds. The client fees are determined by a sliding scale based upon income and number of dependents. Client fees collected in 1998 were \$74,012 and were split 50/50 and returned to the municipalities. This reduced the net cost to the municipalities. Another \$100,000 from the Corner House Foundation was used to defray the operating expenses paid by the municipalities. During 1998, it is estimated 85% of the clients had no health insurance covering the treatment services provided.

## **Services**

During 1998, Corner House provided approximately 4,300 counseling sessions and eight weekly or biweekly prevention programs serving approximately 2,200 students, parents and the community-at-large. Each full-time clinician provided a minimum of 21 sessions per week and the part-time clinicians a pro rata proportion based on the number of hours worked. The prevention specialists provide a minimum of two days per week of school interaction.

Because of the funding mechanisms in place, Corner House services more than the Princeton communities. Approximately 50% of the counseling sessions are for Princeton residents, 29% are from surrounding communities, 9% are from other Mercer County municipalities and 12% are from other counties in New Jersey.

The following table illustrates the financial breakdown of expenditures related to clients served:

<b>Residents</b>	<b>Expenditure Attributable</b>
Princeton	\$257,269
Surrounding Areas	\$149,215
Other Mercer County	\$46,308
Other Counties	\$61,744
<b>Total</b>	<b>\$514,536</b>

The services provided under the auspices of Corner House are unique at the municipal level. Most municipalities rely on the county, state, or private agencies to provide these services. The communities have made a policy decision that the needs of the residents who require these services are best met by a publicly operated organization. The agency is also actively used by both courts as an alternative for addressing a variety of issues including domestic violence and substance abuse.

While the services provided are optional to municipalities, the review team is of the opinion that Corner House is providing a high level of service in as cost-effective manner as possible.

**Net Optional Expense: \$127,050**

**Borough Share: \$60,077**

**Township Share: \$66,973**

## **HEALTH**

The Department of Health administers the health program as a joint agency of the borough and the township. The Princeton Regional Health Commission is the governing body and is comprised of five borough and five township residents. The primary responsibility of the commission is setting policy to comply with state and federal mandates and addressing the health concerns and needs of borough and township residents. The department is required by state law to meet the minimum standards of performance (N.J.A.C. 8:52 et. seq.) in providing health services and programs.

### **Organization and Staffing**

The department is managed by the health officer, who also serves as department head, a registrar of vital statistics, two part-time clerical staff, a licensed senior sanitary inspector, a licensed public health specialist and an animal control officer. The department is located in borough hall and operates Monday through Friday, 9:00 a.m. - 5:00 p.m.

The health officer is responsible for the enforcement of state and local ordinances, implementation of commission policy and the day to day administration of the department. The sanitary inspector and public health specialist provide the following inspections: retail food establishments, swimming/bathing pools, youth camps, preschools, septic and well systems. They also investigate and respond to public health nuisance reports.

The registrar's office issues various vital statistics information and documents, such as certified copies of birth, death and marriage licenses. The animal control officer is responsible for the investigation of animal bite complaints, removal of dead animals from the roadways, capture and detainment of stray animals, annual canvass of unlicensed dogs and annual administration of the rabies vaccination clinic for dogs and cats.

## Financial

The program is funded based on ratables through an inter-local agreement between the borough and township. According to this agreement, 32% of the costs are paid by the borough and 68% of the costs are paid by the township. The total salary, wages, and benefits for 1998 were approximately \$308,890. Office expenses were \$20,140 and professional service contracts were \$36,800. The total cost was \$365,830. The department generated the following revenue during 1998:

Licenses	\$31,947
Permit Fees	\$2,577
Registrar Fees	\$51,125
Dog Trust/Redemption	\$1,098
State Domestic Violence Trust	\$5,100
<b>Total</b>	<b>\$91,847</b>

## Services

According to the data contained in the 1998 Local Health Department Annual Report submitted to the New Jersey Department of Health and Senior Services, the sanitary inspector and public health specialist performed the following services: 185 inspections and 26 re-inspections of food establishments, 18 inspections and re-inspections of public swimming/bathing pools, 10 inspections and 5 re-inspections of youth camps, and 120 public health nuisance investigations. The sanitary inspector and public health specialist are full-time employees who work 35 hours per week, 9:00 a.m. - 5:00 p.m., Monday through Friday. Total salary and benefits for the two positions were \$110,539 and other expenses were approximately \$3,000 for a total of \$113,539. The revenues associated with inspections amounted to \$32,385, for a net operating cost of \$81,154.

The total number of workdays in 1998 was 261 days per employee. When vacation, sick, personal and holiday leaves are accounted for, the approximate number of available workdays is 218 per employee. This converts to approximately 1,530 available hours per employee, or 3,060 for both. When reviewing each activity performed, it is estimated that the total hours necessary for the services are approximately 1,300. Based upon the activity level, it is the team's opinion that the department is overstaffed by one sanitary inspector.

## Recommendation:

**The commission should review the level of activities performed and reduce the staff by one sanitary inspector.**

**Cost Savings: \$53,000**  
**Borough Savings: \$16,960**  
**Township Savings: \$36,040**

The registrar's office is staffed by a full-time registrar of vital statistics, who works 35 hours per week, Monday through Friday, 9:00 a.m. - 5:00 p.m. and two part-time support personnel who each work 20 hours per week, Monday through Friday, one from 9:00 a.m. - 1:00 p.m. and the

other from 1:00 p.m. - 5:00 p.m. The registrar is also the administrative assistant to the health officer. It is estimated she spends 50% of her time performing each function. During 1998, the salary and benefits cost for the registrar's office were \$47,089 and other expenses were approximately \$4,000 for a total cost of \$51,089. The office generated revenues of \$51,737 issuing marriage licenses, death certificates, and certified copies of marriage, birth and death certificates. Based upon the revenue collected and the associated fee for each document, the office issued approximately 9,000 documents. Using these figures, the average document cost approximately \$5.68 compared to the average fee collected of \$5.75. The current fee for certified copies of vital statistics is \$6.00 per copy; marriage license is consistent with the state law of \$28.00 per license, of which \$3.00 stays in the municipality, and death certificates are consistent with the state law of \$1.00.

The public health services, as required by the minimum standards of performance for local departments of health, are provided under various professional service contracts. These services include the Healthy Child/Well Baby Clinic (including WIC), Cardiovascular Disease, Senior Immunizations for Influenza and Pneumonia, Sexually Transmitted Diseases, Communicable Diseases, Home Health Care and Education. The total cost of contracts for these services was \$36,800.

According to the 1998 Annual Report, the department reported the following activity for each function:

<b>Contracted Activity</b>	<b>Participation</b>
Healthy Child/Well Baby	160
Cardiovascular Disease	120
Senior Immunizations	985
Sexually Transmitted Disease	90
Communicable Disease	50
Senior Home Health Care	2
Education*	25
*Educational programs were also held at the Princeton middle and high schools. The actual number of participants was unavailable, however, 40 classes were contracted to be taught.	

Based upon the level of activity associated with each function, the team feels that the cost associated with each service provided under the professional service contracts is in line with the level of service provided.

## **Animal Control**

The animal control function is staffed by a full-time Animal Control Officer (ACO) who works 35 hours per week, 9:00 a.m. - 5:00 p.m., Monday through Friday. During 1998, the salary and benefits cost was \$36,171 and other expenses were \$3,500 for a total cost of \$39,671.

The 1998 Annual Report indicated that the following animal control services were provided: 1,840 licenses issued, 2 pet shop inspections, 48 animal bite investigations, one annual

unlicensed dog canvass which yielded 76 unlicensed dogs, and free rabies vaccination clinic inoculating 67 dogs and 80 cats. In addition, the ACO captured 190 stray animals, and removed approximately 300 deer carcasses from the roadways.

The licensing of dogs is performed by the clerk's office of the community where the dog's owner resides. The township holds its licensing during January each year while the borough holds one during May each year. Each office sends reminder notices a few weeks prior to the month of licensing to each resident who had a dog licensed the prior year. Each municipality enters and maintains its dog license information in a database. Each municipality provides the ACO with a list of previously licensed dogs that have not renewed for the current year. The ACO then physically visits each residence and, if there's still a dog, issues a warning to the owner. This is followed up with a fine if the dog is still not licensed within 30 days. Approximately 3% of a support person's time for each municipality is spent performing the dog license function. This equates to an approximate total cost of \$2,600 for both municipalities.

**Recommendation:**

**It is suggested that the municipalities consider consolidating the dog licensing function in the borough health department under the ACO responsibilities.**

Stray animals are taken to a private animal shelter known as SAVE. The shelter is operated by the Small Animal Rescue League. The redemption fees are \$20 plus \$10 per day. The health department receives the \$20 and the shelter keeps the \$10 per day.

The American Veterinary Medical Association – Center for Information Management reports that nationally 28% of households own one or more dogs. Those households on the average own 1.5 dogs. Based on the 9,068 households reported in the 1990 census, the dog population in the municipalities is estimated to be between 2,500 and 3,000. As previously indicated, there were a total of 1,840 licenses issued in 1998 for both the borough and township.

An option for conducting a more aggressive dog canvass would be to solicit the help of local organizations which provide community service such as the Boy Scouts of America, or high school or university organizations. As part of the canvass, the organization may also distribute literature regarding the responsibilities of pet ownership. The use of these organizations at little or no cost and using a conservative number of increased licensing of 500, with half neutered and the current fees of \$8.20 for neutered, and \$11.20 for un-neutered dogs, could produce a revenue enhancement of approximately \$4,850.

**Recommendation:**

**It is recommended that the animal control officer, with the help of a local service organization, perform a more aggressive annual dog canvass.**

**Revenue Enhancement: \$4,850**  
**Borough Revenue Enhancement: \$1,552**  
**Township Revenue Enhancement: \$3,298**

## **RECREATION**

The Recreation Department is administered by a joint recreation board, which consists of five residents from the borough and five from the township. The board was established in 1964 as a joint agency for the “joint planning, development and operation of recreational facilities, programs and activities.” The joint recreation board is the governing body responsible for establishing and enforcing the policies, rules and regulations for the use of recreational programs, activities and facilities. The board holds monthly public meetings. The department’s mission is “to improve the quality of life for the diverse population of Princeton by promoting and implementing recreational parks, conservation and leisure services in a thorough and financially efficient manner.”

### **Organization and Staffing**

During 1998, the department was staffed by a director, an assistant director, a full-time and a part-time program supervisor, an administrative secretary, a secretary, a maintenance foreman, an assistant foreman, and two maintenance workers. The department was located in the township building, but has recently moved to a new building constructed for the recreation department adjacent to the Community Pool Complex. The full-time personnel work 35 hours, Monday through Friday, 9:00 a.m. - 5:00 p.m. The part-time program supervisor works 20 hours, Monday through Friday, 9:00 a.m. - 1:00 p.m.

The director is very active in performing his responsibilities of planning, administering and promoting the recreational programs and activities for the residents of the borough and township and the proper maintenance of the municipal facilities. He has been employed with the department for over 25 years and uses his experience and vast knowledge of the communities to obtain support and volunteers for activities and programs. The assistant director has been with the department for approximately five years and is responsible for the coordination and implementation of the recreational programs and activities offered by the department. In addition, he provides the computer support for the department. The program supervisors provide the direct guidance for specific programs or activities. The administrative secretary is responsible for the general operation of the office, providing the public with information regarding the programs and activities, and the rules, regulations and policies relating to the facilities and department. In addition, she is responsible for the daily deposits of fees collected. The secretary performs the daily clerical support functions for the department.

The department is staffed with four maintenance personnel who are responsible for the general maintenance and preservation of the recreation facilities and grounds. The maintenance personnel have an annual schedule of projects that are completed during the off season months of December through March. These projects include: rebuilding/repainting the pool and picnic tables, maintenance and winterization of pool equipment such as filters, pumps, locker rooms etc., maintenance of machinery, playground safety review and repairs of equipment, and field restoration such as top dressing, seeding and fertilization. Although one option would be to consolidate these employees into the public works operation, it is clear that they are fully utilized under the existing configuration.

## **Financial**

The Princeton Recreation Department has a unique financial structure for its operation. The department operates from two separate and distinct sources of funds. Municipal funds from the borough and the township are utilized for the administration and maintenance functions of the department. The total salary, wages and benefits for 1998 was \$423,010, and other expenses were \$100,475, for a total cost of \$523,485.

The inter-local agreement between the two municipalities' bases funding on ratables so that the borough's share is 32% and the township's share is 68%. The funding does not consider the resident participation level and there is no documentation establishing the level of participation from each community.

The other source of funds, known as a Revolving Trust Account (RTA), was established in 1980 as a mechanism to fund each program's salary and operating expenses through the fees collected. Salary, wages and benefits paid through the RTA for 1998 totaled \$259,338 and other expenses were \$234,363 for a total cost of \$493,701. Total fees collected were \$552,743; therefore, the RTA had a net income of \$59,042. However, when the joint municipal budget amount of \$523,485 is added to the RTA expenses, the total expenses for 1998 was \$1,017,186, or a net operating cost of \$464,443. It is important to note that the pool fees and programs accounted for \$332,604 of the \$552,743, or approximately 60% of the total revenues.

The director is responsible for monitoring and controlling the RTA account for maximum interest earning. Currently, the account is earning 4.64% in interest. The RTA earned approximately \$7,600 in interest in 1998. The department has two additional accounts that the director maintains; one is a reserve account for capital projects, and the other is an account maintained for donations. Approximately \$100,000 of the RTA account is invested in a certificate of deposit with Sovereign Bank at 5.6% for 13 months. The donation account has a balance of approximately \$37,000 and earned \$2,200 in 1998.

## **Facilities**

There are 16 municipally owned parks within the borough and township totaling 488 total acres. Eight of the parks have athletic fields maintained by the recreation department staff and utilized by various independent athletic leagues. The public works department of the municipality where the park is located maintains the general park areas. The Community Park South complex has the community pool, 15 tennis courts, six of which have lights, and four platform tennis courts. Also, as previously mentioned, the department has recently moved to a new building within the Community Park South complex.

The community pool area, tennis courts, and paddle tennis courts are three major facilities the department operates. The pool and tennis courts are 33 years old and the paddle tennis courts are approximately 30 years old. The renovations of these facilities have traditionally been funded through either the RTA reserve account or through municipal capital budgets. During the past five years, the department has expended approximately \$90,000 from the RTA account for capital improvements to the pool area and \$48,000 for athletic facilities improvements and

maintenance and equipment purchases. According to the director, a community pool usually has a useful life of between 40 and 50 years. Pool revenues exceeded expenditures by \$95,141 in 1998.

Within the pool complex is a concession building, which the department leases annually by bid. During 1998, the lease was \$4,300. Approximately \$4,600 of the \$96,000 spent on capital improvements from the RTA was attributable to the expansion of the pool concession area.

#### **Recommendation:**

**It is recommended that excess revenues from the pool be used to establish a capital improvement program for the pool complex.**

The director has identified the Princeton area as facing a shortage of athletic fields. The department had performed an “active recreation facility comparison” of surrounding municipalities. The results of the comparison indicated that the Princeton area has approximately ten less athletic fields than the surrounding municipalities. At the same time, participation for baseball, softball and soccer have been increasing over the last five years along with requests for fields by resident companies and agencies. In addition, the school district utilizes some of the recreational fields for interscholastic sports. As a result of the field shortage, and in spite of the fact that it has developed an automated system for scheduling the fields, the administration spends a significant amount of time on this task.

#### **Recommendation:**

**It is recommended that the recreation board develop a plan for funding and developing additional fields in consultation with Princeton University and the school district in order to coordinate resources.**

#### **Programs and Fees**

The department offers a variety of programs for youths, adults and senior citizens. During 1998, a total of 15 athletic programs, four leisure activities, six swim programs, and a summer day and teen travel camp were offered to the residents of the communities. The total participation for the non-aquatic programs was approximately 2,300 and the pool memberships, programs and daily admittance totaled 17,590. In addition, the department offers seasonal tennis memberships, which entitle members to reserve courts. The department has a partnership with the Princeton Tennis Program, which offers instructional programs for juniors, seniors and adults.

As previously mentioned, the department maintains a “Revolving Trust Account” to collect the program fees and pay the operating cost for each program. The department keeps detailed financial records regarding the trust account, identifying the income and operational cost (not including administrative salaries and expenses) for each program. The team reviewed the trust account information supplied by the department and separated the activities into four different groups: athletic programs, camp, tennis (including platform) and pool. The information indicates each program is self funded or close to self funded without the administrative costs as

follows: athletic programs, 121%; camp, 79%; tennis, 114%; and pool, 207%. However, when determining the percentage of funding through fees, it is important to include all direct and indirect costs such as administrative salaries, supplies, and utilities. When these items are added to each group, the percentage of funding through fees is as follows: athletic programs, 45%; camp, 64%; tennis, 47%; and pool, 140%. In addition, a number of capital improvements were made. Adding in capital costs lowers the percentage of funding through fees to 43%, 63%, 39% and 129% respectively.

**The commission is commended for maintaining detailed records on the specific revenues and expenditures related to each program.**

**Recommendation:**

**It is recommended that the governing bodies establish a policy concerning the level of subsidy deemed appropriate for recreational programs in the communities. The standard identified as reasonable in most circumstances by LGBR is 50%. Based upon a maximum 50% subsidy, the department could increase fees by \$96,485.**

**Revenue Enhancement: \$96,485**  
**Borough Savings: \$30,875**  
**Township Savings: \$65,610**

### **III. COLLECTIVE BARGAINING AGREEMENTS**

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

Princeton Borough has two bargaining units, the PBA Local 130 representing patrol officers and sergeants and the CWA representing blue collar workers in public works and the sewer authority. Any changes recommended must be addressed in future contract negotiations.

#### **PBA LOCAL 130**

##### **Salaries/Longevity**

The borough is to be commended for adding two steps to the pay scale for officers hired after 1/1/97. At the same time, the borough increased the longevity increments. Although the most conservative position on longevity would be to have none, the longevity in the PBA contract is somewhat conservative because it begins after the steps stop and it consists of a lump sum rather than a percentage amount. The salary changes combined with the longevity changes currently have the impact of saving at least \$40,000 per officer over a 25-year career. If this scale is applied to the current staffing level over 25 years, this would amount to \$1.2 million (30\*40,000). This would average to \$48,000.

##### **Miscellaneous Compensation**

There are a few items that inflate compensation that should be addressed at some point in order to clarify the level of compensation. They include:

The overtime rate is calculated based on base pay plus longevity, detective differential, and shift differential.

##### **Recommendation:**

**Use base pay only for the overtime rate.**

Shift differential of \$800 annually is paid to all officers in recognition of the need to work varying shifts, holidays and weekends.

##### **Recommendation:**

**It is recommended that shift differential not be paid since the rate of compensation is such that it takes into account the characteristics of the job and the work schedule.**

**Potential Cost Savings: \$24,000**

## **Personal Days**

All employees are granted three personal days. Because the officers work 12-hour shifts, and because the contract states specifically days not hours. This works out to an equivalent to 4.5 days rather than three. This costs the borough 1.5 days per employee per year or 45 days valued at \$9,657 annually.

### **Recommendation:**

**It is recommended that personal days be reduced to reflect the equivalent of three typical workdays in hours.**

**Potential Cost Savings: \$9,657**

## **Holidays**

Officers get 13 paid holidays and may elect to carry over or be paid for up to three per year. Other than that if they are scheduled to work a holiday they get another day off in compensation.

**The borough is commended for a conservative holiday policy.**

## **Vacation**

Vacation allocations for PBA members in Princeton Borough exceed the state standards by 66 days over a 25-year career. This averages to 2.7 days per officer per year or an estimated \$17,387 annually.

### **Recommendation:**

**It is recommended that the vacation schedule be consistent with the state.**

**Potential Cost Savings: \$17,387**

## **Terminal Pay**

Police officers receive 37.5 days for 25 years of service and 1.5 days per year over 25 years up to a total of 45 days. This averages between \$8,000 and \$10,000 per retiree and, therefore, is fairly conservative.

## **CWA Blue Collar**

The only significant savings to be realized through negotiated changes in the blue collar contract is through the changes recommended earlier in this report. The recommendations were to:

- Change the weekly payroll to a biweekly payroll for a cost savings of \$6,978.
- Implement a 20% other than single co-pay on health insurance for a cost savings of \$168,100.
- Adopt a 50% premium co-pay for dental insurance for a cost savings of \$8,000.
- Change the prescription plan design to reduce costs by \$21,900.

**The borough is commended for negotiating a cost-effective contract.**

#### IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify existing and potential efficiencies available through the collaborative efforts of local officials in service delivery, in an effort to highlight shared services already in place and opportunities for their implementation.

The borough and the township share 17 services (see Appendix M). Repeating in this section each area in which there is interlocal cooperation would be redundant. In addition, there are cooperative arrangements with Lawrence Township and other regional organizations. Both Princeton Borough and Princeton Township are commended for the amount of cooperation they have achieved. In addition, we have suggested five areas of further consolidation. The areas and the potential savings are:

	1998			Consolidation		
	Budget	Savings as is Borough	Savings as is Township	Total Savings	Borough Share	Township Share
Public Works	\$1,370,618	<b>\$134,800</b>	\$137,861	\$158,500	\$52,833	\$105,667
Library	\$2,187,893	\$103,474	\$219,881	\$279,301	\$89,376	\$189,925
Police	\$3,484,829	\$42,760	\$132,886	\$1,643,565	\$793,267	\$936,832
Court	\$331,408	\$49,000	\$29,517	\$93,000	\$39,990	\$53,010
Welfare	\$31,000	\$0	\$0	31,000	\$15,500	\$15,500
<b>Total</b>	<b>\$7,405,748</b>	<b>\$330,034</b>	<b>\$520,145</b>	<b>\$2,205,366</b>	<b>\$990,966</b>	<b>\$1,300,934</b>

With a built out tax base, there are few alternatives for the borough that will result in significant reductions in the taxes paid by its residents. Identifying revenues alternative to the property tax is one approach, reducing the level and quality of services is another but, consolidating the larger more costly and sensitive functions is the alternative that will reap the most benefits in terms of preserving or increasing the level and quality of services and producing significant cost savings.

LGBR has identified the following opportunities for cooperation with the board of education:

- Use existing school staff to fill crossing guard positions;
- Contract for custodial services jointly;
- Coordinate use and development of athletic fields; and
- Share technology staff.

The team has also identified areas where the borough could explore the potential benefit of joining with the county and, they include:

- General assistance;
- Senior transportation;
- Library; and
- Dispatch.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing, and joining services with other units of local government. The Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services. The second program, REAP (Regional Efficiency Assistance Program), provides direct tax relief for any local government regional service agreement signed after July 1, 1997. These programs are administered by the New Jersey Department of Community Affairs (DCA), Division of Local Government Services. The city is encouraged to contact DCA for additional information.

## **V. STATUTORY AND REGULATORY REFORM**

The fifth and final section of this report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

### **REAP and REDI**

Princeton Borough and Princeton Township have been very successful in implementing shared services before there was a REAP and REDI incentive program. With 17 shared services, they are a good example of a community that should be financially rewarded for what they have done to decrease duplication of services.

### **Tax Exempt Property**

Princeton Borough has a completely built out tax base and is home to one tax exempt educational institution, among others, that owns tax exempt property valued at \$697,482,500, representing a total tax loss of more than \$15 million and a municipal tax loss of \$3,971,465. In addition, tax exempt organizations continue to acquire borough property to the point where the proportion of total tax exempt property is soon going to exceed the taxable portion. Because this issue is governed by the state constitution and state law, the legislature is urged to identify some remedy that will mitigate the drain of resources that threatens the financial viability of some communities, like Princeton Borough.

## **LOCAL GOVERNMENT BUDGET REVIEW TEAM**

Roland M. Machold, State Treasurer  
Peter R. Lawrance, Deputy Treasurer  
Robert J. Mahon, Director, Local Government Budget Review Program  
JoAnne M. Palmer, Deputy Director, Local Government Budget Review Program  
  
Ulrich H. Steinberg, Jr., Director, DCA, Division of Local Government Services

### Princeton Borough Review Team

Jennifer D. Petrino, Team Leader  
Local Government Budget Review

George DeOld, Local Government Budget Review  
William Flynn, Local Government Budget Review  
Eugene McCarthy, Local Government Budget Review  
Dudleyna Panton, Local Government Budget Review  
Richard Thompson, Local Government Budget Review  
Michael Weik, Local Government Budget Review  
Jaime Morris, Intern